

97283

Entered

**FIFTY YEARS
OF PARLIAMENT**



Photo: Haines.

SIR HENRY CAMPBELL-BANNERMAN.

Fifty Years of Parliament
by
The Earl of Oxford and Asquith
K.G

VOLUME TWO

With Eight Half-tone Plates



CASELL AND COMPANY, LTD
London, Toronto, Melbourne and Sydney

ED.

First published 1926

Printed in Great Britain.

CONTENTS

PART III

CHAPTER	PAGE
I. LIBERAL DISCORDS : THE BALFOUR EIRENICON, 1901-1902	I
2. THE FISCAL CONTROVERSY : FIRST STAGE	7
3. THE FISCAL CONTROVERSY : SECOND STAGE	14
4. 1904-1905	20
5. THE END OF THE UNIONIST REGIME	30
6. A NEW ISSUE	36
7. 1906	43
8. 1907	47
9. THE RECONSTRUCTED GOVERNMENT	50
10. ARMY AND FINANCE, 1905-1908	55
11. LICENSING : GOSCHEN : HARTINGTON	59

PART IV

1. THE BUDGET OF 1909 (I)	67
2. THE BUDGET OF 1909 (II)	72
3. DISSOLUTION AND GENERAL ELECTION OF JANUARY, 1910	77
4. THE VETO : FIRST STAGE, KING EDWARD'S DEATH	84
5. ELECTION OF DECEMBER, 1910	89
6. THE PARLIAMENT ACT	95
7. CHANGES OF PERSONNEL, 1910-1913	106
8. MR. BALFOUR'S RESIGNATION	114

CONTENTS

PART V

CHAPTER	PAGE
1. NATIONAL INSURANCE : PAYMENT OF MEMBERS .	121
2. MISCELLANEA, 1905-1912	125
3. 1913 : THE PARLIAMENT ACT AT WORK . .	132
4. ULSTER (I)	135
5. ULSTER (II)	139
6. ULSTER (III)	143
7. THE CURRAGH INCIDENT	149
8. ULSTER (IV)	154

PART VI

1. PARLIAMENT : PARTY CHANGES	161
2. THIRD PARTIES	167
3. THE HOUSE OF COMMONS	172
4. PRIME MINISTER AND CABINET (I)	183
5. PRIME MINISTER AND CABINET (II) . . .	190
6. OFFICES AND PENSIONS	198
7. PATRONAGE (I)	210
8. PATRONAGE (II). ECCLESIASTICAL : POET LAUREATE	214

PART VII

POLITICAL CATCHWORDS	225
INDEX	253

LIST OF ILLUSTRATIONS

Sir Henry Campbell-Bannerman	<i>Frontispiece</i>
Sir William Harcourt	<small>FACING PAGE</small> 26
Viscount Morley	52
The Duke of Devonshire	62
George Wyndham	104
Lord Carson	142
The Earl of Rosebery	186
Viscount Goschen	238

PART III

FIFTY YEARS OF PARLIAMENT

CHAPTER I

LIBERAL DISCORDS :

THE BALFOUR EIRENICON, 1901-1902

THE Election of 1900 was followed by a reconstitution of the Cabinet. Lord Salisbury gave up the Foreign Office to Lord Lansdowne, who was succeeded at the War Office by Mr. Brodrick ; and Mr. Goschen took a peerage and resigned the Admiralty to Lord Selborne. There was no political significance in these changes. As Campbell-Bannerman said in a speech in Dundee : " The stable remains the same ; the horses are the same ; but every horse is in a new stall." There was one notable exception : Mr. Chamberlain remained in his old stall at the Colonial Office. In the same speech, turning to his own establishment, with its rather motley and unruly stud, Sir Henry added : " The door has always been open for Lord Rosebery's return. We should welcome him and rejoice to see him standing among his old comrades, and taking his share in carrying on, as he so well can, the work which they have been endeavouring to prosecute in the most unfavourable circumstances during his absence."

Nothing in the end came of this invitation ; for though Lord Rosebery continued to make sporadic

FIFTY YEARS OF PARLIAMENT

incursions into the field of controversy, not always in support of those who were called "Liberal Imperialists," he was for the most part content (in his own phrase) to "plough his furrow alone," and never rejoined the Councils of the Liberal Party; in which it is clear that at this time Campbell-Bannerman would readily have yielded him the first place.

The South African War dragged on for eighteen months after it had been officially declared to be over; and in its later stages there was much controversy in Parliament over farm-burning, concentration camps, and other phases of guerrilla campaigning. An unfortunate phrase of Campbell-Bannerman's, used at a Liberal dinner—"methods of barbarism"—unfortunate, because it was so easily twisted into meanings which (as he often explained, but always in vain) it was not intended by him to convey—became a catchword which inflamed and embittered the disputants. Amongst other consequences, it helped to afford the occasion for a series of dinners and counter-dinners, organized by the combatant sections of the Liberal Party, who became (not very profitably) engaged in what Henry Lucy wittily described as a "war to the knife—and fork." The various phases of this domestic conflict are impartially and graphically depicted by Mr. Spender,¹ and have now nothing more than a faint and fading interest.

I will only venture to quote a single passage from one of the many speeches which I contributed to the common stock, because it gives a fairly succinct expression to the views of those who went by the name of "Liberal Imperialists."

¹ "Life of Campbell-Bannerman."

LIBERAL DISCORDS

" Empire, to Liberals, does not mean a syndicate for the exploration and exploitation of the races of the world. It does not mean a mere commercial partnership, founded on the basis of profit and loss. It does not mean simply a mutual insurance society for the protection of its members against external attack. Its significance and its value to us are this—that with all its failures and shortcomings, with all its weak places and its black spots, it is the greatest and the most fruitful experiment that the world has yet seen in the corporate union of free and self-governing communities."

Such a conception of Empire would be found, I added, not to paralyse, but to stimulate all those aspirations and efforts which Liberals included under the general name of social reform. It was the work of statesmanship in this country to make the Empire worth living in as well as worth dying for.

" If the Liberal Party is to succeed, it must appeal to sober-minded and level-headed men in all strata of humanity and in all quarters of the King's Dominions. It must first convince the people that it is a national party to which they can safely entrust the fortunes of the Empire ; and next, and not less important, that it is the Liberal Party, distinguished in tradition, in principle, in spirit, from those to whom it is opposed, which neither fears nor favours classes or interests ; the party which strives everywhere and at all times to enrich the national character and intelligence, to widen the range of opportunity, and to raise the standard of life."

More attention is deserved by Lord Rosebery's speech at Chesterfield—December 16, 1901—if only because it was (and perhaps remains) the *locus classicus* for phrases which passed quickly into the political

FIFTY YEARS OF PARLIAMENT

currency of the time: the "neutral inn," the "clean slate," and "efficiency." All of them became texts for much controversial exegesis. C.-B., for instance, himself asked whether the "*clean slate*" involved as its "inevitable accompaniment" the practice and penance of the "*white sheet*"? He added that he was not himself prepared to "erase from the tablets of his creed" any principle or aspiration of Liberalism. To which Lord Rosebery (who had already, in a private interview with him, declared "I am not, in ecclesiastical phrase, in communion with you")¹ rejoined in a letter to *The Times*:² "I remain outside the tabernacle, but not, I think, in solitude."

No wonder that a shrewd onlooker (Lord Tweedmouth) remarked that some of the Liberal leaders were suffering from a too profuse use of metaphor.

The death of Queen Victoria (January, 1901) removed a great historic figure, who never ceased up to the end of her reign to take an active and vigilant part in the work of government, and the last year of whose life was clouded by the anxieties and vicissitudes of the War. The War did not, in fact, come to an end until it had lasted two and a half years. On May 31, 1902, the terms of peace, which had been negotiated by the Boer leaders with Lord Kitchener and Lord Milner at Vereeniging, were signed at Pretoria. A month later, under the stress of increasing physical disability, Lord Salisbury resigned, and the King sent for Mr. Balfour to take his place. His first act (according to Mr. George Wyndham)³ was "to secure Chamberlain and Devonshire, and to try and secure Beach." The two first-named agreed to serve

¹ "Life of Ripon," II, p. 268.

² February 21, 1902.

³ "Life and Letters of George Wyndham," p. 447.

LIBERAL DISCORDS

under him, the Duke undertaking the leadership of the Unionist Peers. Sir Michael Hicks Beach retired from the Exchequer, and for the next three years sat on a back bench in the House of Commons. A year later (June 9, 1903) he informed the House that if his protests against the growth of expenditure had received more sympathy from his colleagues he might not then have been addressing it as a private member. Lord James of Hereford also retired from the Cabinet, to which Mr. Austen Chamberlain was for the first time admitted.

An Education Bill to substitute the County Councils for School Boards and to place the denominational schools on the rates, and the imposition of a one-shilling import duty on corn and flour (in Sir M. Hicks Beach's last Budget), were the principal legislative achievements of the Session of 1902. Between them they produced the effect of a political miracle; that of reuniting in opinion and in policy the Liberal Party. As early as May 23 Lord Rosebery, in a speech at the National Liberal Club, took occasion to declare that "the Liberal Opposition in Parliament never stood so well for unity." Later on in the session Campbell-Bannerman and I attended together the birthday dinner of the Eighty Club, and I gave expression to the universal feeling when I said that "rarely in the history of parties had any Government at the same time challenged the favour of destiny, and fired the zeal of its opponents, by producing in one session two such measures as the Education Bill and the Corn Tax."

Mr. Chamberlain did not conceal from his Liberal Unionist colleagues his profound dislike of the Education Bill. To the Duke of Devonshire he wrote (September 22nd): "I told you that your Education

FIFTY YEARS OF PARLIAMENT

Bill would destroy your own party. It has done so. Our best friends are leaving us by scores and hundreds, and they will not come back."¹

This was probably true; but the secession was not so formidable as that which he himself was destined to initiate in the following year.

¹ "Life of Devonshire," II, p. 284.

CHAPTER II

THE FISCAL CONTROVERSY : FIRST STAGE

WHILE the Debates on the Education Bill were still dragging on, Mr. Chamberlain left England (November, 1902) on a visit to South Africa. The object of his mission was to bring about "racial and political peace," and, incidentally, to arrange (if possible) for a contribution of thirty millions from the Outlanders towards the cost of the War. His opponents joined with his followers in wishing him God-speed. Before leaving he pressed on his colleagues that the Corn Duty imposed by Hicks Beach should be utilized as a starting-point and leverage for the introduction of a system of Imperial Preference. Mr. Ritchie, the new Chancellor of the Exchequer, at once entered a written protest against continuing the tax for any such purpose. What the real attitude of the Cabinet at this moment was, it is difficult to gather from the confused and conflicting memories, months afterwards, of some of its members.¹ Mr. Chamberlain, it is plain, departed under the impression that the majority were with him; but an actual decision was held over till the time for settling the Budget of the next year

When the details of the Budget came up for Cabinet discussion in the following April, Mr. Chamberlain, who had just returned, found to his surprise that the Chancellor's proposals included the abolition

¹ "Life of Devonshire," II, pp. 298-9.

FIFTY YEARS OF PARLIAMENT

of the Corn Duty. He again demanded its retention as an instalment of Colonial Preference, but allowed himself to be for the moment overruled. He has left on record his reasons for acting as he did: "The majority of my colleagues agreed with me. The difficulty of carrying out my policy arose from the fact that the Chancellor of the Exchequer was opposed to it, and that there was no time to fight the question out then and there before the Budget had to be introduced. Accordingly the Cabinet, while allowing Mr. Ritchie to have his way with the Budget, decided to use the summer in further investigations of the questions which had been raised. No decision adverse to them [*sic*] was taken, and there was no occasion for me to resign."¹

The Budget was accordingly introduced (April 23, 1903) in the form proposed by Mr. Ritchie, who defended the removal of the Corn Duty—a tax both on food and on raw material—in a full-blooded Free Trade argument.

A fortnight later, on May 15, in advance of the "further investigations" by the Cabinet, Mr. Chamberlain, in a speech at Birmingham, launched his new policy on the ocean of public controversy. It became from that moment until the General Election of 1906, despite the competing claims of such highly polemical topics as Education, Licensing and Chinese Labour, the paramount and dominating issue in British politics.

Mr. Chamberlain's famous discourse, described some months afterwards by Mr. Balfour as a "great speech by a great man," was a highly characteristic utterance. He confessed that, after roaming over South Africa, his "party weapons had become a

¹ "Life of Devonshire," II, p. 300.

FISCAL CONTROVERSY : FIRST STAGE

little rusty," and he was in no mood to "excite" himself (like the stay-at-home politicians) about "the Education Bill, Temperance Reform, Local Finance"; "the calm which is induced by the solitude of the illimitable Veld may have affected my constitution." No more for him of the *arbusta humilesque myricae*. *Majora Canamus*.¹

He then proceeded to sound, with no uncertain voice, the first notes of the new strain: Preferential Duties for the Colonies; Retaliatory Duties against foreign countries. The following passage gives the gist of the new policy: "I say it is a new position. I say the people of this Empire have got to consider it. I do not want to hasten their decision. They have two alternatives before them. They may maintain, if they like, in all its severity the interpretation, in my mind an entirely artificial and wrong interpretation, which has been placed upon the doctrines of Free Trade by a small remnant of Little Englanders of the Manchester School who now profess to be the sole repositories of the doctrines of Mr. Cobden and Mr. Bright. They may maintain that policy in all its severity, although it is repudiated by every other nation and by all your own Colonies. In that case they will be absolutely precluded either from giving any kind of preference or favour to any of their Colonies, or even protecting their Colonies when they offer to favour us. That is the first alternative.

"The second alternative is that we should insist that we will not be bound by any purely technical definition of Free Trade, that, while we seek as our chief object free interchange of trade and commerce

¹ In the same vein he seems to have said to the Liberal Whip: "You can burn your leaflets; we are going to talk about something else."

FIFTY YEARS OF PARLIAMENT

between ourselves and all the nations of the world, we will nevertheless recover our freedom, resume the power of negotiation, and, if necessary, retaliation, whenever our own interests or our relations between our colonies and ourselves are threatened by other people. . . .

"It seems to me that for good or evil this is an issue much greater in its consequences than any of our local disputes. Make a mistake in legislation, it can be corrected; make a mistake in your Imperial policy, it is irretrievable. You have an opportunity; you will never have it again."

Mr. Chamberlain concluded by saying: "I leave the matter in your hands. I desire that a discussion of this subject should be opened."

It became apparent, almost immediately, which of the alternatives he had described Mr. Chamberlain meant to recommend for adoption. In the House of Commons (May 28) he made the momentous declaration: "If you are to give a Preference to the Colonies you must put a tax on food." At the Constitutional Club (June 26) he stated explicitly: "I have already indicated my opinion that a system of Preferential Tariffs is the only system by which this Empire can be kept together." It is to be observed that at this stage a General Tariff on imported manufactures did not form part of Mr. Chamberlain's avowed policy.

The Cabinet were already distracted by internal divisions. Their official attitude was one of provisional non-committal, pending the result of their search after Truth. On the Second Reading of the Finance Bill, early in June, the Prime Minister declared that he would be guilty of a "breach of duty" if he were to profess a "settled" conviction where no

FISCAL CONTROVERSY : FIRST STAGE

conviction existed. All that was certain, for the moment, was that the Corn Tax had expired ; but (as I said in the course of the Debate) it was pure matter of speculation whether the epitaph which we were to carve upon its tombstone was to be *Requiescat* or *Resurgam*. I at the same time pointed out the singularity of the Parliamentary situation :

“ Here we have two Ministers of the Crown, seated upon the Treasury Bench, separated the one from the other only by the intervention of the Prime Minister himself. One of them, the Colonial Secretary, is the Minister who is constitutionally responsible for the management of the relations between this country and the outlying parts of the Empire ; the other, the Chancellor of the Exchequer, is the Minister responsible for the fiscal arrangements of the United Kingdom and a great part of the Empire. These two Ministers are propounding fundamentally and irreconcilably divergent views in a matter which affects more vitally than any other matter in the whole range of politics the unity of the Empire, and the fiscal arrangements and prosperity of the country.”

The Free Trade Ministers—the Duke of Devonshire, Lord Balfour of Burleigh and Lord George Hamilton—were growing more and more restive, and seem to have imparted their inquietudes to the Prime Minister. He sought to allay their anxieties in a remarkable letter to the Duke (June 4, 1903), in the course of which he wrote :¹

“ Chamberlain’s views, both in their general outline and their particular details, commit no one but himself. They certainly do not commit me ; although I am probably more in sympathy with him than

¹ “ Life of Devonshire,” II, pp. 307-9.

FIFTY YEARS OF PARLIAMENT

either you or Ritchie.¹ . . . My hesitation, however, chiefly arises from doubts as to its practicability rather than its expediency. . . . My hope is that for the present it shall be agreed among us—

“(a) That the question is an open one; and that no one stands committed by any statement but their own.

“(b) That we should be allowed officially to collect information upon the effects of the proposed policy.

“(c) That at all events for the Session we should discourage further explicit statements of individual opinion.”

Tacitly or expressly, the Cabinet seem to have acquiesced in this temporary compromise.²

The Cabinet “investigation” proceeded in a more or less informal and leisurely fashion. It resulted in the production of a vast magazine of statistics compiled by the Board of Trade,³ and Ministers received further assistance in an academic pamphlet on “Insular Free Trade” from the pen of the Prime Minister himself. But, outside the inner circle, people were not slow in making up and expressing their minds. The Liberal Party dashed without delay, and with a united front, into the fray. “All the old war-horses about me—Ripon and Harcourt, for instance” (wrote Campbell-Bannerman)—“are snorting with excitement. We are in for a great time.”⁴ . . . On the other hand, the fissure in the Unionists’ ranks

¹ It is a curious personal paradox (as Mr. Chamberlain pointed out at Tynemouth in October, 1903) that “whereas in 1883, or thereabouts, I was convinced of the extreme importance of, and advocated, free imports, at that very time my opponent was Mr. Ritchie, who was advocating Fair Trade and preference to our Colonies.”—(“Imperial Union and Tariff Reform,” p. 109.)

² Compare Lord G. Hamilton’s “Reminiscences,” p. 320.

³ Commonly called “the Fiscal Blue Book.”

⁴ Spender, II, p. 97.

FISCAL CONTROVERSY : FIRST STAGE

deepened and widened day by day. Lord Goschen, in the House of Lords, denounced the new "unauthorized" programme of Mr. Chamberlain with as much fervour as he had denounced the old ; he described it as a "gamble with the food of the people." And the most brilliant of the younger Tories in the House of Commons—Mr. Winston Churchill and Lord Hugh Cecil—were equally outspoken in the same sense.

CHAPTER III

THE FISCAL CONTROVERSY : SECOND STAGE

THE proceedings of Ministers when the Cabinet at last reassembled on September 14, 1903, might have been conceived, and were certainly carried out, in the spirit of Comedy. The month of August had been largely occupied by a correspondence, prolix but inconclusive, between the Duke of Devonshire,¹ Mr. Chamberlain, Mr. Balfour and Mr. Ritchie. Of much more importance was the letter of resignation which Mr. Chamberlain sent on September 9 to the Prime Minister. He admitted that "as an immediate and practical policy the question of Colonial Preference cannot be pressed with any success at the present time." On the other hand, there seemed to him to be a "very strong feeling in favour of the other branch of Fiscal Reform." While, therefore, he thought that Mr. Balfour would be "absolutely justified" in adopting Retaliation as the policy of the Government, he could not himself remain in office while so important a part of his political programme as Preference was excluded. He must therefore devote himself to the work of "explaining and popularizing" it from outside.

Mr. Balfour waited to acknowledge this letter till the 16th (two days after the Cabinet), when he sent a short reply of regretful and sympathetic acquiescence.

When, therefore, the Cabinet met on the 14th,

¹ "Life of Devonshire," II, pp. 321-33.

FISCAL CONTROVERSY: SECOND STAGE

the Prime Minister had Mr. Chamberlain's resignation in his pocket, a fact which was entirely unknown to his colleagues, and which (strange to relate) does not appear to have been communicated to the Cabinet either by Mr. Balfour or by Mr. Chamberlain himself. After the Cabinet was over the Duke of Devonshire saw Mr. Balfour, who (the Duke has recorded) "hinted that Chamberlain might resign." The Free Trade Ministers (still under the impression that they were asked to commit themselves to Preference) met, and according to one of them (Lord G. Hamilton), "were unanimously of opinion that we had no option but to resign." "One and all of us," he adds, "were then ignorant of Mr. Chamberlain's resignation; and we knew that as long as he was one of the Cabinet preferential tariffs could not be altogether dropped."¹

The Duke of Devonshire seems to have allowed himself to be befogged at every stage of these curious transactions. He sent in his resignation on the 15th (as did his Free Trade colleagues), but was induced, after a conversation² with Mr. Balfour on the 16th, to withdraw it. He was left, however, according to his biographer,³ in a "tormenting state of mind"; he was a man with a peculiarly keen sense of political honour, and "felt that the Ministers who had resigned must think that he had not stood by them." At last, on October 2 (after what seemed to him an unsatisfactory speech from Mr. Balfour at Sheffield) he resolved to make common cause with them and sent in his definite resignation. On October 6 he wrote to Lord James of Hereford: "I have made a

¹ Speech at Ealing, October 22, 1903.

² "Life of Devonshire," II, p. 347.

Ibid., p. 351

FIFTY YEARS OF PARLIAMENT

mess of this business, and have come out with severe damage, but I suppose you are glad that I have got out at any price."¹

Two contemporary comments are worth recording—one by Sir William Harcourt, the other by Lord Rosebery.

SIR W. HARCOURT : " There has been nothing like the suppression of the resignation of J. C. since the days of the Oxford-Bolingbroke Cabinet, when they were hatching the Treaty of Utrecht and the fall of Marlborough." ²

LORD ROSEBERY : " Nothing like the departure of the Colonial Secretary, pairing off with his principal adversaries in the Cabinet, has been seen since Mr. Canning and Lord Castlereagh resigned in order to fight a duel." ³

The dismasted Cabinet was patched up after a fashion, Mr. Ritchie being succeeded by Mr. Austen Chamberlain at the Exchequer, and Mr. Chamberlain at the Colonial Office (which was offered to, and refused by, Lord Milner) by Mr. Alfred Lyttelton. The vessel and its inmates, as refitted, were unkindly described by Mr. Morley as a " scratch crew on a raft." It was never quite seaworthy, and was doomed from first to last to drift hither and thither without compass or chart.

The last official exposition of the Government attitude at the end of this the first phase of the fiscal controversy is to be found in Mr. Balfour's speech to the Conservative and Constitutional

¹ " Life of Devonshire," II, p. 368.

The final letters between the Duke and the Prime Minister are quite good reading. Mr. Balfour rebukes his correspondent for " expending much inquisitorial subtlety in detecting imaginary heresies "; probably the first and only time in his life that such a charge was levelled against the Duke of Devonshire.—" Life of Devonshire," II, pp. 361-6.

² Gardiner, II, p. 561.

³ Speech at Sheffield, October 13, 1903.

FISCAL CONTROVERSY : SECOND STAGE

Associations at Sheffield, which gave the *coup de grâce* to the Duke of Devonshire's doubts and hesitations.

He did not think (he said) that public opinion was ripe in this country for the taxation of food, but he called for liberty to negotiate with foreign countries and something to negotiate with.

He put to himself the question : " Do you desire to reverse the fiscal tradition, to alter fundamentally the fiscal tradition, which has prevailed during the last two generations ? " " Yes, I do. . . . I propose to alter that tradition by asking the people of this country to reverse, to annul, and delete altogether from their maxims of public conduct the doctrine that you must never put on taxation except for revenue purposes."

This was (perhaps purposely) an incomplete and indefinite presentation of the question, but it cleared the air and opened the lists for the real campaign.

Mr. Chamberlain, in his new character of a free-lance missionary, opened hostilities at Glasgow on October 6, 1903. The programme which he put forward was, in summary, as follows :

(1) *Proposed New Taxes :*

- 2s. a quarter on foreign (not Colonial) corn,
with a corresponding tax on foreign flour.
- 5 per cent. on foreign meat, except bacon.
- 5 per cent. on foreign dairy produce.
- An average 10 per cent. on completely-
manufactured foreign goods.

(2) *Taxes Not Contemplated :*

*No tax on raw materials. No tax on maize
or bacon.*

FIFTY YEARS OF PARLIAMENT

(3) *Taxes to be Relieved :*

Three-quarters of the duty off tea.

Half the sugar duty taken off.

Corresponding reduction on coffee and cocoa.

Preference to Colonial wines and fruit.

The main count in his indictment of the existing fiscal system in these autumn speeches was that under it the great British industries were, one after another, succumbing to the competition of their foreign rivals. "Agriculture has been practically destroyed ; sugar has gone ; silk has gone ; iron is threatened ; wool is threatened ; cotton will go."¹ A curious, and no doubt unconscious, repetition of the language used, nearly twenty years before, by Lord Randolph Churchill at Blackpool, in his transient flirtation with what was then called Fair Trade.²

Anyone who desires to follow the main issues of argument and fact, which at once emerged, and were gradually and fully developed as the controversy went on, will find them set out in the series of platform speeches which were republished at the end of 1903 in handy pamphlet form by Mr. Chamberlain and myself. They were respectively entitled :

Imperial Union and Tariff Reform : Speeches delivered from May 15 to November 4, 1903. By the Rt. Hon. Joseph Chamberlain. (212 pages.) London : Grant Richards. 1s.³

Trade and the Empire : Mr. Chamberlain's Pro-

¹ Greenock, "Imperial Union," etc., p. 59.

² See ante, vol. I, p. 106. and Churchill's "Life," p. 236: "Turn your eyes where you will, survey any branch of British industry you like, you will find signs of mortal disease. . . . You find foreign iron, foreign wool, foreign silk and cotton pouring into the country, flooding you, drowning you, sinking you, swamping you," etc. etc.

³ I am fortunate enough to possess, and to have before me, a copy of this publication, which was kindly presented to me at the time by Mrs. Chamberlain, inscribed in her hand, "From the Wife of a Man of Business.—M. E. C."

FISCAL CONTROVERSY : SECOND STAGE

posals examined in Four Speeches. By the Rt. Hon. H. H. Asquith. (96 pages.) London : Methuen and Co. 6d.

Mr. Chamberlain's parting shot, before he retired for a brief spell into winter quarters, was to announce (Leeds, December 16, 1903) the setting up of a Tariff Commission, whose instruction from him was to " frame a Model Tariff."

CHAPTER IV

1904-1905

THE main preoccupation of the Government in the Session of 1904 was to avoid any definite pronouncement by the House of Commons on the larger issues of the Fiscal Controversy. The Liberal Opposition naturally seized every opportunity to bring forward embarrassing motions. A typical case was one introduced by Mr. Black on May 18, purporting to "welcome" the declared policy of Ministers to oppose the "taxation of food." The Prime Minister intimated that if this motion were carried he would resign.

The party situation on the Ministerial side was one of grave complexity. In the summer of this year it was computed that Mr. Chamberlain had about 200 supporters of his policy in the House of Commons. On the other hand, the "Unionist Free Fooders," as they came to be called, anxious as they were to frustrate Chamberlain, had, for the most part, no desire to turn out the Government. They clung, as to a welcome *tabula in naufragio*, to the Prime Minister's assurance (in March) that it was not proposed to deal with the Fiscal question during the currency of that Parliament.¹ Some of the more robust spirits could no longer acquiesce in a temporizing policy; Mr. Churchill, for instance, crossed the House to the Liberal side in May.

¹ An amendment in that sense enabled them to avoid voting against and defeating the Government on Mr. Black's motion.

On the other hand, the Liberal Unionist organization, of which the Duke of Devonshire had been President since its formation, was reconstructed by Mr. Chamberlain, so as to include among its purposes the propaganda of Fiscal Preference.

The game, described by Campbell-Bannerman as "hunting the fiscal slipper," went on throughout the year 1904 and the greater part of 1905. It reached almost its final phase when Mr. Balfour announced at Edinburgh (October 3, 1904) his policy to be: (a) No fiscal change during the currency of the then Parliament; (b) if he and his friends won the next election, the Colonies to be invited to a fiscal Conference; (c) if an agreement were come to at the Conference, it was to be submitted to the country at another General Election. It need hardly be said that the prospect, so opened out, of organized procrastination was equally distasteful to the Chamberlainites and the Unionist Free Fooders. Equally, and even more, exasperating to the Liberals was the practice, officially adopted in the House of Commons in the Session of 1905, of boycotting the discussion of the matter there. In March and April, Free Trade motions were allowed to be carried with unanimity, the Government and the faithful among its followers deserting both debate and division. Things reached a climax on May 22, when, after Campbell-Bannerman had asked a number of questions of the Prime Minister personally, Mr. Lyttelton was put up to reply. The Opposition refused to hear him, and after a scene of deplorable clamour the sitting had to be suspended.

All this time the Government, to judge by such indications as the by-elections, was steadily losing ground in the country. In more than one case Ministers

FIFTY YEARS OF PARLIAMENT

seeking re-election on the acceptance of office were defeated at the polls. There were other causes of disintegration and unpopularity at work besides the fiscal chaos. C.-B. reports the Prime Minister as having said of himself: "I am like a man with a chronic cold who knows that the slightest fresh chill will kill him."¹

The introduction of indentured Chinese Labour on the Rand under semi-servile conditions, approved by the new Colonial Secretary, Mr. Lyttelton,² aroused an outcry in Great Britain which was by no means confined to the regular Opposition.

Moreover, the Cabinet were getting into trouble with some of their most ardent supporters over their Irish policy. Mr. George Wyndham had won his spurs during the Coercion regime as private secretary to Mr. Balfour. He was one of the three "promising" young men in the Tory Party, about whom in the nineties their friends and admirers used to dispute which was the most certain in the long run to attain to the highest place. The other two were George Curzon and Harry Cust. I knew them all intimately, and alas! though they were much younger than myself, none of them now survives. They were very differently endowed, but each of them combined brilliant intellectual gifts with much personal charm. In the autumn of 1898, Curzon, who had been for some time Under-Secretary at the Foreign Office, was appointed Viceroy of India; Mr. Brodrick was transferred from the War Office to take his place; and Wyndham (apparently after some hesitation on the part of Lord Salisbury, who said: "I don't like

¹ Spender, II, p. 170.

² It is at least doubtful whether Mr. Chamberlain would ever have given his sanction to this short-sighted and ill-judged expedient.

poets'') was given the post of Under-Secretary for War.¹

At the end of 1900 he was made Chief Secretary for Ireland, and in 1902 admitted to the Cabinet.

In the Session of 1903 he carried through the House of Commons with great ability and tact, and infinite assiduity, an Irish Land Bill, which was ingeniously contrived to facilitate the transfer of ownership in full from landlord to occupier upon terms which, by the aid of an Imperial subvention, made both parties to the transaction better off than they were before.² The Bill, which was not seriously opposed in any quarter, received the Royal Assent in August.

The clouds which gradually eclipsed Wyndham's meteoric star arose from his selection, towards the end of 1902, of a distinguished Anglo-Indian, Sir Antony (afterwards Lord) MacDonnell, for the post of Under-Secretary at Dublin Castle. The original suggestion that Sir Antony should be invited to take the place seems to have come from Lord Lansdowne, who had known and appreciated his great work in India. The assistance which he gave, both in the preparation and conduct of the Land Bill and in the whole sphere of Irish Administration, proved of such value that in 1903 he was induced by Wyndham, with the approval of the King, to refuse the offer, which the Secretary of State for India was about to make to him, of the Governorship of Bombay.

MacDonnell had from the first, when his co-operation was asked and agreed to be given, made it perfectly clear that he had no affiliations or sympathies with the rank and file of the Tory

¹ There is a lively account of this business in "Life and Letters of George Wyndham," pp. 66-7.

² *Ibid.*, pp. 81-5.

FIFTY YEARS OF PARLIAMENT

Unionists. "An Irishman, a Roman Catholic, and a Liberal in politics" was the description which he gave of himself to Wyndham, when he was appointed (with some misgivings on the part of Mr. Balfour) to become permanent head of the Irish Administration.

Wyndham was a highly strung man, totally without the toughness and phlegm of the Anglo-Saxon temperament. In the Session of 1904 his colleagues gave him no opportunities for the further pursuit of an Irish constructive policy. "I am undergoing," he writes,¹ "a phase of nausea at politics, nostalgia for poetry, and a lurch in that direction." He spent Whitsuntide in Paris, sitting for his bust to Rodin, "in the desire to keep touch with letters and sculpture, and so keep an escape way open from the dustiness and fustiness of politics." These were the premonitory symptoms of what the doctors call a "nervous breakdown," and, when the autumn came, he fled from official business to Germany, leaving MacDonnell behind him with instructions not to forward any papers that could await his return.²

During his absence the Under-Secretary gave active help to Lord Dunraven and his associates in a body of "Moderates," calling themselves the "Irish Reform Association," who issued a preliminary "manifesto" at the end of August, and near the end of September gave to the world a full-blown "Devolution" Scheme. It is not necessary to set out its details.³ In the words of Lord Dunraven, "it gave Ireland some control over finance, some incentive to economy . . . and some delegated legislative powers," with the result that it exasperated almost equally both Nationalists

¹ "Life and Letters of George Wyndham," p. 90.

² *Ibid.*, p. 91

³ *Ibid.*, pp. 92-3.

and Unionists. It was denounced by Michael Davitt as a "wooden-horse stratagem." Sir Edward Carson declared that he preferred "the repeal of the Union to any such tampering." The scheme died on the day of its birth.

MacDonnell had been careful to give the Chief Secretary full warning of the part he was taking in the matter. On September 10 he wrote to him: "I have helped and am helping Dunraven in the business." This letter was undoubtedly received and opened by Wyndham, who mislaid it; whether he even read it is doubtful; and it seems certain that it entirely passed from his memory.¹ As soon as the "scheme" itself was given to the world, he at once wrote a letter to *The Times* (September 26) repudiating it root and branch on behalf of the Government and himself.

The Cabinet conveyed a mild censure to Sir A. MacDonnell, whose conduct in the matter, from first to last, seems to have been quite irreproachable. Wyndham, but for whose carelessness, which may be excused by the state of his health, the storm would never have arisen, stuck, as any gentleman in the circumstances was bound to do, by his subordinate. The whole pack of Irish Unionism was in full cry, scenting a "conspiracy," and calling for the brush, one day of MacDonnell, and the next of the Chief Secretary himself. Wyndham made a confused, intricate and unconvincing defence in the House of Commons, which left the impression even upon not unfriendly minds that (as I said in the debate) "there was a mystery not wholly cleared up." The controversy continued with growing heat and even venom, and early in March (1905) Wyndham

¹ "Life and Letters of George Wyndham," p. 97.

FIFTY YEARS OF PARLIAMENT

sent in his resignation. There can be no doubt that the state of his health at the time unfitted him to carry on the work of administration. But he declined to make that the ground of his retirement. His real reason was apparently that "stated to one of his most intimate friends" at the time :

"I must insist on resigning ; not because of health, not because of MacDonnell, but because *my* policy—which is *not* the policy of the Reform Association—cannot proceed now. . . . I will not see concession after concession made to people from whom I differ."¹

It is not difficult to identify the "people from whom I differ." But what did he mean by "*my* policy" ?

His resignation was accepted, and announced (in somewhat frigid terms) by the Prime Minister to the House of Commons (March 6). He was succeeded by a true-blue Tory—Mr. Walter Long.

During the remainder of the Session the Government underwent a series of those checks and disappointments, petty in themselves, which so often presage the approach of the end.

A great historic figure was removed from the scene by the death of Sir William Harcourt on September 30, 1904. The Liberal Old Guard suffered another severe personal loss in the disabling illness which fell upon Lord Spencer in the autumn of 1905, and which lasted until his death in August, 1910.²

It may, therefore, be the appropriate place for a brief reference to one who played at moments a

¹ "Life and Letters of George Wyndham," p. 104.

² See Spender, II, p. 179.



SIR WILLIAM HARCOURT.

Photo: Haines.

conspicuous, and always a most dignified and honourable, part on the political stage.

C.-B., who was a shrewd and by no means a sentimental judge of men, had a higher regard and affection for Spencer than for any of his colleagues. Superficially the two men had little in common. The one belonged by birth and all the associations of his youth and early manhood to the Scottish bourgeoisie. He had acquired more than a tincture of classical scholarship both at Glasgow University and at Cambridge; had made himself familiar by travel with most of the European countries; was widely read, especially in French literature; spoke the French language with fluency and precision; was in a real sense a Cosmopolitan; and yet retained to the end of his life a tenacious and predominant interest in the soil and the people from which he sprang. Spencer was a patriot, with a distinguished pedigree and large ancestral estates; without literary accomplishments or interests; fond of the open air, the Master for years of one of the most famous packs of hounds in the English shires; with few gifts of expression either in speech or in writing; bred in the pure Whig tradition; a man of unquailing courage, of cool, shrewd judgment, and the finest sense of honour and public duty; almost the last, if not the last, of the *Grands Seigneurs*. As I have said above,¹ when Mr. Gladstone for the last time resigned the office of Prime Minister, he was prepared, if Queen Victoria had asked his advice, to name Spencer as, in his judgment, the person best fitted to be his successor.

He and Campbell-Bannerman were first brought into close personal and official relations when the latter was invited to succeed Sir G. Trevelyan as

¹ *Antis*, vol. I, p. 217.

FIFTY YEARS OF PARLIAMENT

Chief Secretary for Ireland in October 1884. It was not on the face of it a tempting offer. C.-B. had no first-hand knowledge of Ireland, where the administrative situation was still one of difficulty and danger. The Viceroy was a member of the Cabinet, the Chief Secretary was not, and yet it was his daily task to be called upon in the House of Commons to explain and defend, against the pertinacious and vigilant scrutiny of the most highly-organized body of guerrillas that Parliament has ever seen, every act and omission, great or small, of the Irish Government. Spencer came over to Scotland himself to press upon C.-B. the acceptance of Mr. Gladstone's request. No wonder that he at first refused. "I know," he wrote (October 14, 1884) to Spencer, "the limit of my own capacities, and I should be greatly afraid that I should fail to discharge my duties successfully." And he adds the significant words: "At the same time I confess I should be hampered by want of belief in the system I was called upon to defend."¹ Lord Spencer, however, persisted in his appeal, to which C.-B. felt bound to yield, and the partnership between the two men began, and lasted through months of infinite and ceaseless care, until the fall of the Gladstone Government in the following June. Events showed that C.-B. was right to take the chance; he became, during those months, for the first time a distinctive figure in the House of Commons; and his keen humour and imperturbable temper made him an invaluable asset to his colleagues and his Chief. "I shall be very sorry," wrote Spencer, "that our official relations should close. They have been delightful to me, and I cannot thank you too much for the confidence you have placed in me, and

¹ Spender, I, pp. .

1904-1905

the cordial and generous way you have worked with me."¹ As Mr. Spender truly says: C.-B.'s friendship and admiration for Lord Spencer remained to the end of his life one of the strongest of his political attachments. They were bound together by a native affinity of character.

¹ Spender, I, p. 87.

CHAPTER V

THE END OF THE UNIONIST REGIME

THE political situation was, in the autumn of 1905, to all appearance in the highest degree confused and uncertain. The Liberals, notwithstanding the discredit into which the Government had fallen, had domestic troubles of their own. The Free Trade army which Mr. Chamberlain's propaganda had by antagonism filled not only with recruits, but with a spirit of aggressive vitality, now numbered in its ranks many who were lukewarm, and not a few who remained hostile, to Irish Home Rule. After much discussion with colleagues, including Sir E. Grey and myself, C.-B. adopted for the next Parliament what was called at the time the "step by step" policy, "always on condition that the steps should lead up to, and be consistent with, the final goal of a Parliament in Dublin."¹ This was the gist of his famous speech at Stirling (November 23, 1905), as appears from the following extract :

"If I were asked for advice—which is not likely, perhaps—by an ardent Irish Nationalist, I would say: 'Your desire is, as mine is, to see the effective management of Irish affairs in the hands of a representative Irish Authority. If I were you I would take it in any way I can get it, and if an instalment of representative control was offered to you, or any administrative improvements, I would advise you thankfully to accept it, provided it was consistent with and led up to your larger policy.' I think that

¹ *Sponder*, II, p. 181.

THE END OF THE UNIONIST REGIME

would be good advice. But I lay stress on the proviso—it must be consistent with and lead up to the larger policy. To secure good administration is one thing, and a good thing in itself, but good government can never be a substitute for government by the people themselves. In the immediate future, whatever be the result of a General Election, the time of Parliament will probably be mainly occupied by certain great questions—social questions for the most part—which call for treatment, and on which opinion among us is more than ripe. . . . Undoubtedly they will take time. I trust that the opportunity of making a great advance on this question of Irish Government will not be long delayed; and when that opportunity comes, my firm and honest belief is, that a greater measure of agreement than hitherto as to the ultimate solution will be found possible, and that a keener appreciation will be felt of the benefits which will flow to the entire community of British peoples throughout the world if Ireland, from being disaffected, disheartened, impoverished, and disunited, takes her place, a strong, harmonious, and contented portion of the Empire.”

Probably through misunderstanding Sir Henry's intention and meaning, Lord Rosebery, two days later at Bodmin, construed the speech as “the hoisting once more in its most pronounced form of the flag of Irish Home Rule,” and while disclaiming the desire to “utter one jarring note which can conflict with the unity of the Free Trade Party,” declared for himself personally, “*emphatically and explicitly, and once for all, that I cannot serve under that banner.*”

It seems not improbable that this sharp passage of arms between the two Liberal leaders was one of the precipitating causes of Mr. Balfour's resignation.

FIFTY YEARS OF PARLIAMENT

But during these critical months things were going much worse in the Unionist Party. On November 3 Mr. Chamberlain, whose patience was—perhaps not unnaturally—exhausted, in a speech at Birmingham, declared that he would “rather be part of a powerful minority than a member of an impotent majority,” and demanded a Dissolution. He was backed up by the Liberal Unionist Council at Bristol, where he compared the Unionist Party to an army which was being led into battle “on the principle that the lamest man should govern its march.” Even the National Union of Conservative Associations was induced to pass (at Newcastle) a resolution in favour of the “whole-hog” policy.¹

The situation had at last become intolerable, and Mr. Balfour found himself confronted with the alternatives of Resignation or Dissolution. He chose Resignation.

I may be allowed to quote here what I have written elsewhere on this singular and momentous decision :

“Mr. Balfour was reputed at that time to be a past-master of political tactics. He had been exhibiting for more than two years a series of adroit and astonishing feats in the art of plate-spinning. It was believed by many that, by the *coup de théâtre* to which he now resorted, he would succeed in the operation, of which a previous Tory Prime Minister forty years before had boasted—that of ‘dishing the Whigs.’ His idolaters would have scoffed at the idea that so wily a performer could be outmanœuvred by the ‘plain and simple’ Campbell-Bannerman. Yet this is precisely what happened.”²

¹ Spender, II, pp. 188–9.

² “Studies and Sketches,” p. 205.

THE END OF THE UNIONIST REGIME

Mr. Balfour resigned on December 4. The King, who had developed friendly and, indeed, confidential personal relations with Sir Henry in the earlier part of the autumn at Marienbad, at once sent for him. To the surprise and confutation of the political quidnuncs, he accepted office without a moment's hesitation (December 5), and by midnight on the 7th all the principal places in the new Government had been filled; not without some difficulties as to personnel, which, however, yielded rapidly to the good-will and sense of duty of those immediately concerned.

There was one, and only one, conspicuous gap in the new combination. It did not include Lord Rosebery. With this notable exception all sections of the Liberal Party were represented in the new Cabinet, which was composed as follows :—

Prime Minister	Campbell-Bannerman
Lord Chancellor	*Loreburn
President of Council ..	*Crewe
Privy Seal	Ripon
Chancellor of Exchequer ..	Asquith
Home Secretary	*H. Gladstone
Foreign Secretary.. ..	*E. Grey
Colonial Secretary	*Elgin
War Secretary	*Haldane
India Secretary	J. Morley
Admiralty	Tweedmouth
Board of Trade	*Ll. George
Local Government Board..	*Burns
Duchy of Lancaster	Fowler
Agriculture.. ..	*Carrington
Post Office.. ..	*Buxton
Ireland	Bryce
Scotland	*Sinclair
Education	*Birrell

FIFTY YEARS OF PARLIAMENT

Those marked * had never sat in a Cabinet before ; and five (Haldane, Lloyd George, Burns, Birrell and Sinclair) were new to office. Of Lord Rosebery's surviving colleagues, Spencer was permanently disabled, Trevelyan and Acland had retired from Parliamentary life, and Shaw-Lefevre was called to the House of Lords.

Notable members of the new Government, who were not yet admitted to the Cabinet, were McKenna, W. Churchill, H. Samuel, Runciman and L. Harcourt.

It was acknowledged on all hands that in point of Parliamentary ability the new Administration gave promise of exceptional strength.

Parliament was at once dissolved, and the General Election which followed in January, 1906, was one of the most remarkable in our modern history. The Unionists in the House of Commons were reduced from 369 to 157 ; the Liberals numbered 379. There were 83 Irish Nationalists and 51 so-called Labour Members. The Liberals had, therefore, a majority over all other parties combined of 88, and over the Unionists of 222. Of the " Labour " Members 20 were to all intents and purposes Liberal. A striking feature of the Election was that the remainder (some 30 in number) were returned as a separate group of independent Labour men. Their chairman from 1906 to 1908 was Mr. Keir Hardie, who had sat in previous Parliaments ; among the newcomers first returned in 1906 was Mr. Ramsay MacDonald.

The personal losses among the Unionist leaders were, up to that date, unprecedented. They included Mr. Balfour, Mr. Brodrick, Mr. Lyttelton, Mr. Gerald Balfour, Mr. Bonar Law and Sir R. Finlay. Lord Hugh Cecil was defeated in a three-cornered contest

THE END OF THE UNIONIST REGIME

at Greenwich, where he stood as a Unionist Free Trader against a Tariff Reformer and a Liberal. Both Hicks Beach and Ritchie had gone to the House of Lords.

An incidental feature of this historic Election is that it witnessed the first active steps in the militant campaign of the "Suffragettes."

We must now turn over a new leaf.

CHAPTER VI

A NEW ISSUE

THE Fiscal controversy was determined by the General Election of 1906, and ceased to be one of the living issues in British politics. It was in the course of a belated attempt to revive it in the new House of Commons that Campbell-Bannerman was moved to use the blunt expression, "Enough of this foolery." (March 12, 1906.)

In the same year the great figure which had brought it into being, and kept it alive, was removed from the battlefield. Mr. Chamberlain led the Opposition in the early part of the first Session, in Mr. Balfour's compulsory absence, with all his customary vigour and activity. Early in July he attended a series of celebrations in Birmingham to commemorate his seventieth birthday and the completion of the thirtieth year of his Parliamentary service. A few days later he was seized by a disabling malady from which he never recovered; and, though he remained a Member of the House of Commons, the only occasions on which he went there during the remaining eight years of his life were to take the Oath at the opening of the two new Parliaments of 1910 and 1911.

I may perhaps cite a few sentences from the speech which I made in the House of Commons in moving its adjournment on the day of his funeral, exactly a month before the outbreak of the Great War. (July 6, 1914.)

A NEW ISSUE

Mr. Chamberlain was for thirty years in the forefront of our Parliamentary life. That he never held the title of Leader of this House or of the Head of the Government is felt, by friends and foes alike, to be an accident of his career. . . . To the arena of our political conflicts here Mr. Chamberlain brought not only a combination of most unusual gifts, but, what is rarer still, a new type of personality. When he entered the House in 1876 almost all the places of authority, both in the Legislature and in successive Administrations, were still held by men who had received their Parliamentary training in the era of a restricted suffrage. Mr. Chamberlain was the pioneer of a new generation. He brought with him from the world of business and of municipal life a freshness of outlook, a directness of purpose, and a certain impatience of conventional and circuitous methods. He may be said with truth to have introduced and perfected a new style of speaking, equally removed from that of either of the great masters of speech who then had the ear of the House and the nation—Mr. Gladstone and Mr. Bright. If he kept, as a rule, closer to the ground, he rarely digressed, and he never lost his way. . . .

“As has been the case with not a few great men, speech, the fashion and mode of his speech, was with him the expression and revelation of character. In that striking personality—vivid, masterful, resolute, tenacious—there were no blurred or nebulous outlines, there were no relaxed fibres, there were no moods of doubt and hesitation, there were no pauses of lethargy. . . .

“There are certain characteristics stamped on his work which are independent of the vicissitudes of political judgment, and some of which I think are

FIFTY YEARS OF PARLIAMENT

the more worthy of remark because he was a man of severely practical aims. First, I note genuine sympathy which never failed him with the precarious lot of those who in one way or another fall victims to the stress and strain of our social and industrial life. Another is the imaginative quality which suffused and coloured, not only his language, but his ideas when he confronted the larger issues of national policy. Lastly, may I not say, no statesman of our own or perhaps of any time surpassed him in the two great qualities of confidence and courage—confidence, buoyant and unperturbed, in the justice of his cause; courage, persistent and undismayed, in its steadfast pursuit. . . .

“Though he was an unsparing he was always a generous antagonist, and I rejoice to remember that we never ceased to be friends. It was the will of Providence that the closing years of his life should be darkened by a great affliction. The hero of countless fights in the open field was called upon to show that he had also the passive courage which can face with undimmed eyes the most tragic fate that can befall a man of action.”

The most pressing problems which confronted the new Government and Parliament were to be found in South Africa: the future status of the two defeated Republics, and the best method of handling the question of Chinese Labour. The grant of responsible Self-government to the Transvaal and the Orange River Colony, though vehemently denounced by the Opposition at the time as a dangerous and reckless experiment, is now universally acknowledged to have been a far-sighted and statesmanlike measure. The new Transvaal Government decided that the Labour Ordinance should not be re-enacted, and in June,

A NEW ISSUE

1907, Mr. Churchill—the Under-Secretary for the Colonies—was able to say: "We have reached the end of Chinese Labour."

A detailed and authoritative account of these transactions is to be found in Mr. Spender's *Life of Campbell-Bannerman*.¹ The debates enabled Mr. Churchill to enrich the Parliamentary vocabulary with a useful periphrasis: "terminological inexactitude."²

A new issue was almost immediately raised, when the Liberal Government with its unexampled majority, fresh from the decisive verdict of the constituencies, began the attempt to carry into law the projects to which it was pledged. So far as legislation is concerned, the History of Parliament from 1906 to 1911 is the record of a protracted and persistent struggle between the representative and the non-representative Chambers. It will be well, before dealing with particular measures, to survey in its broader aspects the field of controversy.

Mr. Balfour, on the morrow of his own electoral defeat at Manchester, made a speech (Nottingham, January 15, 1906) to a Unionist demonstration which struck the note of challenge. It was, he said, the bounden duty of each one whom he addressed to do his best to see that "*the great Unionist Party should still control, whether in power or whether in Opposition, the destinies of this great Empire.*"

This was, in effect, a claim that a Party which had just been almost contemptuously repudiated by the electorate should still, through the only agency at its disposal, the House of Lords, reassert and retain its political predominance. A more cautious politician,

¹ II, Chapter XXIX.

² February 22, 1906.

FIFTY YEARS OF PARLIAMENT

the Duke of Devonshire, adopted a more moderate tone. Speaking a month later (February 22) in the House of Lords, he said :

“ During the last ten years the opinions on most political questions of the majority in both Houses have been in tolerably close agreement, and your Lordships have had little to do more than to give your assent to measures sent up from the other House, or to introduce comparatively unimportant amendments in those measures. This position is now, as a result of the Election, fundamentally altered. It cannot be denied that on most political questions the opinions of the majority of the House of Commons are not in harmony with, but are opposed to, the opinions held by the great majority of this House. That difference in the political opinions represented in the two Houses will, no doubt—must, no doubt, find its expression in the measures which will be sent to you from the other House of Parliament ; and it will be for your Lordships and the Leaders of this House to consider how far it may be wise, how far it may be prudent, how far it may be the duty of this House, to exercise its constitutional rights in relation to those measures. I feel perfectly confident that the advice which will be given to your Lordships’ House will be wise and statesmanlike, and will be based to a very great extent on the wise and statesmanlike advice which on more than one occasion was given to this House by the late Lord Salisbury. But, in my opinion, a great deal depends not only on the treatment of Bills that may come up from the other House, but on what may be the constructive policy adopted by the Unionist Party when at any future time it returns to power.”

As time went on, it became increasingly clear that

A NEW ISSUE

it was Mr. Balfour's, and not the Duke's, advice which was to sway the counsels of the Unionist Party.

Though it involves some anticipation of events, I think this is the appropriate place to set out a summary of the situation as it gradually developed, in a Memorandum which I wrote when it had reached a critical stage in 1910 :

" There are about 600 Members of the House of Lords, of whom 26 sit on the Episcopal Bench and are not ostensibly Party politicians. Of the remaining 570 or 580, it is probably within the mark to say that 500 belong to the Conservative or Unionist Party. It is true that a considerable number of peers rarely attend or vote, but in an emergency they respond with a good deal of alacrity to the Party Whip. . . .

" It follows that difficulties between the two Houses were only likely to arise when the electors returned a Liberal majority to the House of Commons and put a Liberal Government in power. In 1884 an acute crisis was developed over the Franchise Bill, and a constitutional readjustment was only avoided by a compromise, the history of which, and of the parts played by the Crown and the leaders of the two Parties, is told in detail in Lord Morley's *Life of Gladstone*. Ten years later, under the Liberal Government which held office from 1892 to 1895, grave differences again manifested themselves between the two Houses. But the Liberal majority in the House of Commons was at that time a very small one—including the Irish Nationalists, it did not exceed 40—and it had not behind it popular opinion in Great Britain. Nevertheless, Mr. Gladstone, in the last speech which he delivered in the House of Commons, in the spring of 1894, thought it necessary to use these

FIFTY YEARS OF PARLIAMENT

words: 'In some way or other a resolution will have to be found for this tremendous contrariety and incessant conflict upon matters of high principle and profound importance between the representatives of the people and those who fill a nominated Chamber.'

"The General Elections of 1895 and 1900 gave the Unionist Party in each case a substantial majority, with the natural consequence that for ten years (1895-1905) there was no occasion of conflict between the two Houses, and the Constitutional question lay dormant.

"It was reawakened into restless and vigorous life in the next four years. The General Election of January, 1906, gave the Liberal Party in the House of Commons an overwhelming majority, not only over the Unionists, but over all other sections combined. That majority set to work with earnestness and assiduity to secure legislative embodiment for the pledges which its Members had given to their constituents. In a few instances, of which the Trade Disputes Bill is the most conspicuous, the Lords allowed proposals which they disliked to pass into law. But as regards by far the larger part of the important contentious measures introduced by the Liberal Government, and sanctioned by unexampled majorities in the House of Commons, the history of the years 1906-9 is one of almost perpetual controversy between the two Houses, and of a series of defeats inflicted by the non-representative upon the representative Chamber."

In the following Chapters a brief narrative is attempted of the different stages of the controversy.

CHAPTER VII

1906

THE first serious conflict between the new House of Commons and the House of Lords arose out of the Education Bill of 1906, which was introduced by Mr. Birrell on behalf of the Government in April. Its main objects were to put an end to the dual system created by the Act of 1902 ; to secure that every school maintained out of rates and taxes should be under the exclusive management and control of the representative local Authority ; to abolish religious tests and the obligation to give denominational teaching, in the case of all teachers appointed by the Authority, and paid out of public funds ; to permit "Cowper Temple" teaching in the "provided" schools ; and in the "transferred" schools to give facilities for special denominational instruction, but not by the regular teachers.

The Bill was strenuously and even bitterly opposed as unfair to the denominational schools ; as a practical endowment of Nonconformity ; and as a stepping-stone to secularization. But, notwithstanding the alliance of the Irish Nationalists with the regular Opposition, the Second and Third Readings were carried in the House of Commons by majorities of about 200. On the Third Reading Mr. Balfour gave what came to be called his "signal" to the House of Lords, when he remarked that "Members must have begun to feel that the real discussion must be elsewhere," and that "it is in the highest degree

FIFTY YEARS OF PARLIAMENT

improbable that the Bill will come back in the shape in which it leaves us."

The Bill was conducted with conspicuous ability and tact by Lord Crewe in the House of Lords, where, however, it was completely transformed. It came back to the Commons, in the picturesque language of Mr. Birrell, a "miserable, mangled, tortured, twisted *tertium quid*." The question of special denominational instruction, and of the functions and duties, in regard to it, of the State-paid teachers, was the main bone of contention.

There were negotiations and attempts to arrive at a compromise between the Archbishop of Canterbury and Lord Lansdowne on the one side, and the Prime Minister, Lord Crewe, and myself on the other, but the chasm of opinion was found to be too wide to be bridged. On December 12 the House of Commons—the Nationalists now supporting the Government—referred back the Lords' Amendments *in globo*, by a majority of more than 300; on the 19th the Lords insisted on their Amendments by a majority of 132 to 52, the Duke of Devonshire voting in the minority; and the following day, in the House of Commons, the Prime Minister moved to discharge the order, and the Bill perished.

In the same Session a similar fate befell the Plural Voting Bill, introduced in May by Mr. L. Harcourt, who made his maiden speech from the Treasury Bench—a rare, though not unique, occurrence in the history of the House of Commons. The Third Reading was carried in December by a majority of more than three to one, but a week later the Bill was summarily rejected in the Lords by 143 to 43.

The nature and the grounds of the resentment which these proceedings had, by the end of the first

Session of the new Parliament, aroused in the Liberal Party, cannot be better indicated than in the following sentences from the Prime Minister's speech in the House of Commons when he moved that the order for the Education Bill be discharged (December 20, 1906) :

" Now, the question we have to ask ourselves is this : Is the General Election and its result to go for nothing ? This Education question has been before the country since 1902, and even earlier. It has been discussed and re-discussed. The Act of 1902 has been the cause of intense bitterness and dissatisfaction. The grievance created by it and the flaws in its administrative structure are such that there can be no peace, no settlement, no ordered progress in the work of education until the law is altered from its present condition. No one denies it. No one denies that that was the opinion which helped to return the great majority sent by the constituencies this time last year. No one denies the strength of the reflection of that opinion in this House. Who could deny it, when these very amendments were returned to the House of Lords but a few days ago by a majority of 309 ?

" Well, Sir, at the bidding of a Party which was condemned at the General Election, condemned as no Party was ever condemned before, the House of Lords has obliterated all this. I desire to speak with perfect moderation and calmness, but it is difficult to reconcile such action on the part of the other House with that calm and impartial revision of hasty legislation which is assumed to be the greatest merit of that Assembly. Perhaps it is harder to see how that action justifies the claim that they are the true interpreters of the feelings and desires of the people of this

FIFTY YEARS OF PARLIAMENT

country. But even if it were so, what is the good of maintaining a Representative system? It is not as if this House of Commons were old, stale, and worn out; if that were so, there would be some reason we could understand in the argument; but there is no reason in the argument to-day. It is plainly intolerable, Sir, that a Second Chamber should, while one Party in the State is in power, be its willing servant, and when that Party has received an unmistakable and emphatic condemnation by the country, the House of Lords should then be able to neutralize, thwart, and distort the policy which the electors have approved. That is the state of things that for the moment—for the nonce—we must submit to. A settlement of this grave question of Education has been prevented, and for that calamity we know, and the country knows, upon whom the responsibility lies.

“But, Sir, the resources of the British Constitution are not wholly exhausted, the resources of the House of Commons are not exhausted, and I say with conviction that a way must be found, a way will be found, by which the will of the people expressed through their elected representatives will be made to prevail.”

CHAPTER VIII

1907

IT is not necessary to review in any detail the legislation, actual or attempted, of 1907. Mr. Harcourt succeeded in carrying through both Houses a Small Holdings and Allotments Bill for England, but the acute scent of the Lords detected revolutionary germs in Mr. Sinclair's proposals for the extension of the crofter system to the Lowlands, and for Land Valuation in Scotland, the one of which had to be withdrawn by the Government, while the other was summarily rejected.¹ The conflict between the two Houses was therefore renewed, and the Government found it necessary to formulate definite proposals for bringing the matter to an issue. There was complete agreement among its members that a reform in the composition of the House of Lords was necessary, and indeed overdue. But they were equally agreed that before that delicate and thorny task was attempted there must be a revision and curtailment of its powers. As to the form which such a change should take, there was for a time much difference and even contrariety of opinion, but in the end the Government adopted the plan of what came to be known as the Suspensory Veto, suggested many years before by Mr. John Bright at Birmingham,² strongly favoured by the Prime Minister himself, and afterwards given statutory effect by the Parliament Act of 1911.

¹ Both were again passed through the Commons in 1908, but perished from disagreement in the two Houses.

² August 4, 1884.

FIFTY YEARS OF PARLIAMENT

Accordingly, on June 24, 1907, Sir H. Campbell-Bannerman introduced a resolution in the House of Commons which declared that "in order to give effect to the will of the people, as expressed by their elected representatives, the power of the other House to alter or reject Bills passed by this House must be restricted by law, so as to secure that, within the limits of a single Parliament, the final decision of the Commons should prevail." After a debate which lasted three days the resolution was carried by 432 to 147. A Labour Amendment, calling for the abolition of the House of Lords, and supported by a number of Radicals and Nationalists, was rejected by 315 to 100.

I may quote a passage from the speech which I made in the course of the discussion to show the stage which the controversy had reached :

"Personally I have been a slow and, to some degree, even a reluctant convert to the necessity of this particular method of dealing with the problem. I have cast about—as which of us has not ?—during all these years of Opposition in this House, to try and discover some way of escape from the situation, which almost every speaker in this debate, on whichever side of the House he sits, has acknowledged to be indefensible, that would at one and the same time give effect to the democratic principle that the will of the people must prevail, and do the least practical violence to our constitutional usages. I have even—scandalous as I am sure the avowal will seem to some friends behind me—at one time coquetted with the Referendum. But hoping, as many of us have hoped, that a solution could be found in the shape of what I may call a constitutional *modus vivendi*—a Convention similar to the Conventions of which both our Common law and our Parliamentary law are full,

not written on paper, not defined in the exact language of an Act of Parliament—hoping for the establishment of such a *modus vivendi* (a re-establishment, let me remind the House, of a practice which actually prevailed sixty or even fifty years ago, when the House of Lords submitted to the sagacious guidance of the Duke of Wellington, Lord Aberdeen, and other statesmen of the past), the experiences of recent years have convinced me that that is an unattainable hope. Yes ; but why ? Because it would be the essence of such an understanding that the House of Lords—admittedly, in the language of the Leader of the Opposition, a subordinate partner, admittedly powerless to control executive action or financial policy—should, in the sphere of legislation also, be content with the functions of revision and consultation, and, if need arose, of reasonable delay. But has the House of Lords shown any disposition to accept such an understanding ? It has fallen, unfortunately, in these latter days into the hands of guides and leaders—not necessarily and not always sitting within its own walls—who have degraded it from the position of a revising Chamber, and in some sense an arbitral authority, and who have converted it, as everybody knows, into the docile and subservient instrument of a single Party in the State. That is the crux of the whole problem. . . . The truth is that in practice the House of Lords gives effect to the will of the House of Commons when you have a Tory majority ; the House of Lords frustrates the will of the House of Commons when you have a Liberal majority ; and neither in the one case nor in the other does it consider—what, indeed, it has no means of ascertaining—the will of the people.”¹

¹ House of Commons, June 26, 1907.

CHAPTER IX

THE RECONSTRUCTED GOVERNMENT

THE closing months of Sir H. Campbell-Bannerman's life are fully described in Mr. Spender's Biography, and nothing can fitly be added to his narrative. I hope that my judgment of him as man and statesman has been made clear in the preceding chapters. I will add here some words which I wrote in a review of the Biography when it first appeared :

" I endeavoured after his (Campbell-Bannerman's) death, in a speech in the House of Commons which Mr. Spender has quoted in full, to give an estimate of him as I knew him. I have nothing to add to it now. His was by no means the simple personality which many people supposed ; it had its complexities and apparent incongruities, and, even to those who were most intimate with him, sometimes its baffling features.¹ But of all the men with whom I have been associated in public life, I put him as high as any in sense of duty, and in both moral and intellectual courage. Nothing can be truer or more characteristic of the man than what he says of himself in a homely speech to his neighbours at Montrose, a few months before his death :

" ' Altogether, I have no fault to find with anybody. And it is because I have no fault to find with anybody that I am where I am. . . . It has not been by my

¹ I remember once, when there was a vacancy in a responsible and delicate office, suggesting to him the name of an intimate friend of his, whom I knew it would be personally most agreeable to him to promote. " No, no," he said, " that wouldn't do ; X is *maximus in minimis*, but *minimus in maximis*."

THE RECONSTRUCTED GOVERNMENT

seeking that I am where I am. . . . An old friend of mine, Wilfrid Lawson, was accustomed to say: The man who walks on a straight road never loses his way. Well, I flatter myself that I have walked on a pretty straight road, probably because it was easier, and accordingly I have not gone astray. I trust that that will be continued to the last, which cannot be long deferred now.' "

He lay, disabled from taking any part in the active work of Government, from the middle of February, 1908, to April 6, when his resignation, which both the King and his colleagues had done all in their power to prevent, was announced to the world.¹ During this protracted interregnum the political atmosphere was charged with speculation and gossip. In the middle of it (March 12) Mr. Morley records that he wrote as follows :

" Apart from the sore regret of every one of us at the disappearance of so gallant, honest and experienced a Chief of our Party, with his extraordinary command of the majority in the House of Commons, more than one question of a rather delicate kind will fall to be settled. Not as to the succession to his immediate post. That has been tolerably decisively settled by circumstances. But of course the disappearance of the Prime Minister shifts the centre of gravity. As a Cabinet, we have been the most absolutely harmonious and amicable that ever was known, and I see no reason why the same frame of mind should not remain, for our future Parliamentary safety and for the advantage of the country. Only there will have to be a little readjustment of one or two offices: first, to keep the balance between the two wings of the Cabinet, the Liberal Leaguers on the one

¹ He died April 22.

FIFTY YEARS OF PARLIAMENT

hand and the pro-Boers, for instance, on the other ;¹ second, to meet one or two strong, and indeed almost indefeasible, claims."²

On April 8 I was summoned by the King, who was at Biarritz, to form a new Administration, and I at once proceeded thither to kiss hands. I suggested various changes in the distribution of offices, which, after full discussion, were all approved by the King. The most important of them were the appointment of Mr. Lloyd George to the Exchequer ; the supersession of Lord Elgin by Lord Crewe at the Colonial Office, and of Lord Tweedmouth by Mr. McKenna at the Admiralty ; and the admission to the Cabinet of Mr. Churchill as President of the Board of Trade, and of Mr. Runciman as President of the Board of Education.

Outside the Cabinet, Colonel Seely joined the Government as Under-Secretary for the Colonies, and Mr. Masterman as Parliamentary Secretary to the Local Government Board, and Dr. Macnamara was promoted to be Secretary to the Admiralty.

To the world at large, undoubtedly the most interesting feature in the new arrangements was the grant of a Viscounty to Mr. John Morley, who continued to hold the India Office. How this came about is best told in his own words :

" It was on one afternoon at this time³ that Asquith came to my official room at the House of Commons, and told me that he understood the King,

¹ By way of illustrating what Morley probably had in his mind, there is a letter (published in the " Life of Lord Ripon," Vol. II, p. 303) written some months later (October, 1908) to Lord Ripon, on his retirement, by Lord Loreburn, the Lord Chancellor : " C.-B. and Bryce and you were on the formation of the Government the men I most agreed with and relied upon. It is a very different Government to-day from what it was three years ago. But I will not dwell on these things, and will hope for the best, and recall how much there still is in the Cabinet that inspires hope."

² " Recollections," II, pp. 248-9.

³ I.e., early in April.

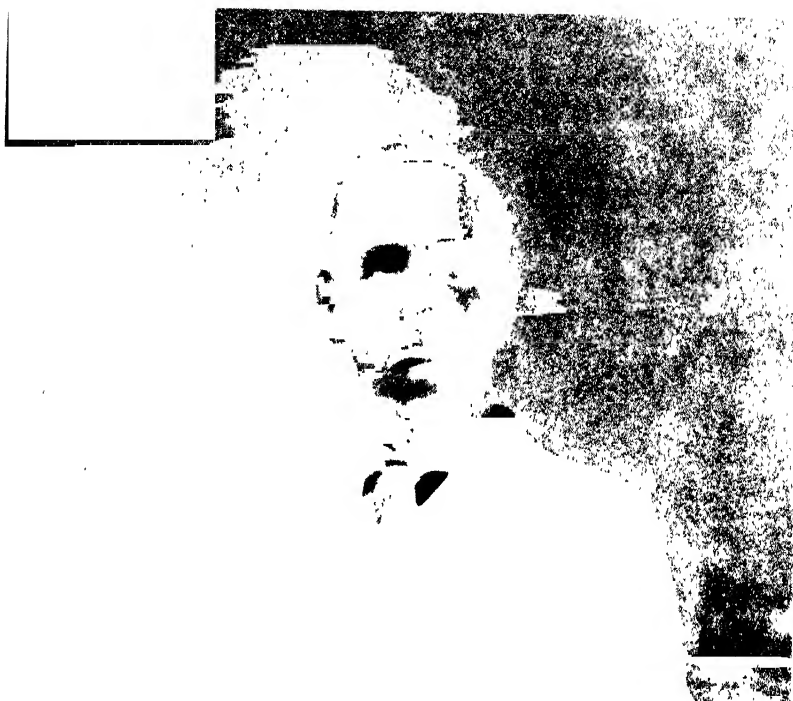


Photo: Downey.

VISCOUNT MORLEY.

THE RECONSTRUCTED GOVERNMENT

then at Biarritz, would send for him to kiss hands as the new Head of the Government. 'Yes, of course,' I said, 'there could be no thought of anything else, that is quite certain.' He hoped that I should remain with him, and would like to know if I had any views for myself. 'I suppose,' I said, 'that I have a claim from seniority of service for your place at the Exchequer, but I don't know that I have any special aptitude for it under present prospects; and I am engaged in an extremely important and interesting piece of work. As you know, my heart is much in it, and I should be sorry to break off. So, if you approve, I will stay at the India Office, and go to the House of Lords.' 'Why on earth should you go there?' 'Because, though my eye is not dim, nor my natural force abated, I have had a pretty industrious life, and I shall do my work all the better for the comparative leisure of the other place.' He made no sort of difficulty; so, after cordial words of thanks from him and good wishes from me, we parted."¹

To the Viceroy, Lord Minto, he writes a little later (April 15):

"By this time you will probably know that I have taken the plunge and gone to the other House. My inclination, almost to the last, was to bolt from public life altogether, for I have a decent library of books still unread, and in my brain a page or two still unwritten. Before the present Government comes to an end, the hand of time will in any case have brought the zest for either reading or writing down near to zero, or beyond. I suppose, however, one should do the business that lies to one's hand."²

Some months later, when he had settled down to

¹ "Recollections," II, p. 251.

² "Lord Minto," by John Buchan, p. 252.

FIFTY YEARS OF PARLIAMENT

his new status, he writes, in a mood of passing discontent, to the same correspondent¹ expressing his regret that he did not remain in the House of Commons to deal as "chief goose-herd" with what he described as "the honest Liberal fools and the baser sort of Unionist ditto." "An Under-Secretary cannot put the fear of God into their silly hearts, as the Secretary of State can at least try to do. However, I am up aloft, and there I am happy to stop; at the same time I have told Asquith that there is to be no playing with India to please the geese."²

Sir Henry Fowler was at the same time raised to the Peerage as Viscount Wolverhampton; he took his seat in the Upper House the same day as John Morley, and later on in the year became President of the Council. King Edward, who shared Queen Victoria's personal regard for Fowler, while assenting to his appointment to this dignified post, wrote to me expressing deep regret at losing his services in the Chancellorship of the Duchy. He was now nearing his eightieth year, and his days of active political work were over. He was in many ways a remarkable man, and his speech on the Indian Cotton Duties (February, 1895) was a Parliamentary achievement of a very high order. With his rugged granitic face, his organ-like voice, and his air of moral authority, he seemed to have been cut out by Nature for a leader of men.³ A certain constitutional timidity, perhaps due to physical causes, stood in his way. I was much attached to him, as I believe he was to me.

¹ "Lord Minto," by John Buchan, p. 280.

² A perhaps superfluous caution.

³ "Father always let us have his own way," says his gifted daughter in her admirable "Life of Lord Wolverhampton."

CHAPTER X

ARMY AND FINANCE, 1905-1908

TO gather up what remains to be told of the story of the Campbell-Bannerman Government—omitting, for reasons which I have given in the Preface, what it did and attempted in the domain of Foreign affairs—I must pass in brief review its military and financial record.

The most striking, and in its international consequences one of the most momentous, of its administrative achievements was the reconstruction of the Army, begun in these years, and subsequently developed and completed, by Mr. Haldane. His first object was to provide—what had been so lamentably lacking on the outbreak of the Boer War—a professional Army, limited in numbers, but so organized as to be a mobile Striking force, ready in all its branches for any emergency overseas, and backed and supplemented by adequate Reserves. Next, he aimed at bringing into existence a Second Line—which came to be known as the Territorial Army—formed on a County basis, whose function it would be to prevent or repel raids, to garrison fortresses, and to be capable, if the need arose, not as a matter of compulsion, but of voluntary choice, of serving abroad.

The first step was taken in 1906, when the so-called “Expeditionary Force” of 150,000 men began to be organized, to consist of six Infantry Divisions, one Cavalry Division, and all the necessary complements in Engineers, Artillery, Transport, Army

FIFTY YEARS OF PARLIAMENT

Service, Medical, and other auxiliaries, for action overseas.

As regards stores, again, it is well known that during the South African War the Cabinet had laid down definite scales of war reserves ("Mowatt Reserves"), and required two military members of the Army Council to give annually to Parliament a formal certificate that these reserves were maintained intact. As new units took their place in the Expeditionary Force during the period of its organization, the application to them of the authorized scales of reserves naturally increased the total mass of stores so held.

The general result is thus summarized by Sir Charles Harris, who was in these years at the head of the Financial side of the War Office:

"In fact, the Estimates and Establishments of the Army for the whole period 1906-14 exhibit, for the first time in our history, a coherent work of real organization for war, by which the traditional and fortuitous establishments of the several arms were replaced by proportions scientifically calculated to produce, from the men and money available, the 6 divisions and 1 cavalry division of the Old Contemptibles. By these changes the Expeditionary Force of 25,000 men, which we had before the South African War, was increased to 160,000 Regulars, with 14 organized Divisions of Territorials in Second Line."

Without going into technical details, the actual working of the new plan can be succinctly stated in the words of the same authority, whose impartiality and competence are beyond dispute, in a communication to *The Times* (after the death of Lord Ypres) in May, 1925. Sir Charles Harris writes as follows:

"After the 'Esher' reorganization of the War Office, the preparation of Army Estimates was put

ARMY AND FINANCE, 1905-1908

on a basis enabling responsibility for the allocation of funds, within the total, to be definitely assigned. The relative priority of different forms of expenditure was determined by the members of the Army Council (other than the Secretary of State) sitting as a formal Estimate Committee with the C.I.G.S. in the chair, and the Estimates so prepared were presented to Parliament over the signature of all the members of Council. They show that the actual regimental establishments of the Regulars in 1908 totalled 177,366 officers and men, and in 1914, 177,271, the main difference in details being that in the latter year room had been found within the total for a Flying Corps of 1,005. As regards money, while the expenditure on Territorial Forces rose from £2,243,000 in 1908-9 to £3,086,000 (estimated) in 1914-15, the total expenditure on the Army rose from £26,859,000 to £28,845,000 (estimated), the latter figure including £1,000,000 for aviation ; so that the whole provision for that new service and the increase for the Territorials were found without taking a penny from the rest of the Army."

In Finance, without going into the details of the Budgets of 1906 and 1907, I may summarize their general result by a quotation from a speech which I made at Ladybank on October 19, 1907 :

"The Government have substantially reduced the cost of the Army and Navy ; they have put an end to the profligate practice of borrowing money for Military and Naval works ; they have made the largest reduction ever made during two years in the National Debt ; they have abolished the Coal duties ; they have lowered the Tea duty ; they have removed the greatest and most genuine grievance of the Income-tax payer by establishing discrimination between incomes which are the

FIFTY YEARS OF PARLIAMENT

result of permanent investments and incomes which are earned." (This distinction, made in 1907, had as its immediate effect that, with an income-tax at 1s., only 9d. was to be charged on earned income.)

By the Budget of 1908 Old Age Pensions on a non-contributory basis, and financed not out of Local but wholly out of Central funds, were at last definitely made part of the financial obligations of the country; while the cost of the necessities of life was further lightened by the reduction of the Sugar duty, and unprecedented provision was made for the redemption of Debt.

Owing to my having only a few weeks before relinquished the office of Chancellor of the Exchequer, the Budget of 1908 was presented by me. Mr. Lloyd George, the new Chancellor, took charge of the subsequent stages, authorizing and setting out the terms and conditions of the Old Age Pensions Scheme.

An Amendment to the Second Reading of the Bill was proposed in the following terms :

" While it is desirable that the State should organize aid for the unfortunate by establishing and assisting a general system of insurance against the principal risks of life, it is unjust to spend taxpayers' money in giving subsidies to persons selected by arbitrary standards of age, income, and character."

It was moved by Mr. Harold Cox (an Independent Liberal) and seconded by Lord Robert Cecil.

The Amendment was rejected by 417 to 29.

CHAPTER XI

LICENSING : GOSCHEN : HARTINGTON

THE first Session (1908) of the reconstructed Government developed a new phase in the controversy between the two Houses.

A large part of the time of the House of Commons was given to the Licensing Bill, for which I made myself personally responsible, with the invaluable aid in the Committee Stage of two of my younger colleagues, both of whom had before them brilliant careers—Mr. Herbert Samuel, then Under-Secretary at the Home Office, and Sir Samuel Evans, the Solicitor-General. The object of the Bill was to secure the compulsory reduction of the number of public-houses according to a fixed ratio of population. Compensation for extinguished licences was to be provided by a levy on the Trade. And there was to be a time limit for the termination of all vested interests. The Bill was denounced as nugatory for its avowed purpose—the promotion of temperance¹—and confiscatory in its operation.

The rejection of the Bill was moved by Mr. Cave (since Lord Chancellor), and the Second Reading was carried by a majority of about 250. The Committee stage lasted part of the summer and most of the autumn; some not inconsiderable concessions were made in the course of it; but the main lines of the

¹ In illustration of the argument that the number of public-houses had little or nothing to do with the amount of drunkenness, Lord Salisbury was reported to have made the whimsical comment that he did not feel any more inclined to sleepiness at Hatfield, where there were (say) fifty bedrooms, than at a seaside villa where there were a dozen.

FIFTY YEARS OF PARLIAMENT

Bill were not substantially changed ; and it ultimately left the House of Commons on the Third Reading with a majority of 237.

Its doom, however, was at once sealed at a private meeting of Unionist Peers at Lansdowne House. A three days' debate on the Second Reading was allowed in the House of Lords, and on November 27 the Bill was summarily rejected without further examination by a majority of 272 to 96. As Lord Fitzmaurice said, the House gave it a "first-class funeral. A great number of noble lords have arrived who have not often honoured us with their presence."

It is not necessary to comment further on this proceeding than to say that, while in the opinion of many, of whom I am one, it put back the cause of Temperance Reform in England for the best part of the lifetime of a generation, it undoubtedly did much to accelerate and embitter the inevitable Constitutional crisis.

Before I come to deal with the Budget of 1909 and its consequences, I must pause for a moment to dwell upon two great personal losses which in the years 1907-8, though they fell with direct and exceptional severity upon the Unionist Party, sensibly impoverished the resources of our public life.

Lord Goschen died in February, 1907, and the Duke of Devonshire in March, 1908.

I have already, in earlier Chapters of this book, endeavoured from time to time to bring into relief the conspicuous and distinctive parts which were played at critical moments by each of these eminent men.

They came from different social strata ; their upbringing, and the environment in which each of them was trained for public service, was as diverse as were

GOSCHEN : HARTINGTON

the men themselves, not only in intellectual equipment, but in temperament and character.

Goschen was of German origin. His grandfather was a famous publisher at Leipzig, and the intimate friend of Goethe and Schiller. His father had early in the Nineteenth Century migrated to London and founded in the City a great financial business. His own early school years were spent in Germany. At the age of fourteen he was sent to Rugby, where he soon came to the front, and rose in time to the head of the school. He went on to Oxford, where he had a distinguished academic record; and none of his subsequent honours gave him so much pleasure as his election, with general acclamation, on the death of Lord Salisbury in 1903, to the Chancellorship of his old University. He had hardly more than begun his business career when, at the age of twenty-seven, he was made a Director of the Bank of England; five years later he was elected one of the Liberal Members for the City; and, after only three years' service in the House of Commons, he was admitted, on the same day as Lord Hartington, to Lord Russell's Cabinet (January, 1866). He was still only thirty-five, and was—his biographer, Mr. Arthur Elliot, tells us—known in the City as the "Fortunate Youth." Nor, judged by the ordinary tests, did he ever fall out of favour with Fortune.

He became, in his time, a prominent member of Liberal, of Conservative, and of Unionist Cabinets, and during the brief interval in his career when, by his disinterested opposition to the extension of the County franchise, he had disabled himself from holding political office in Mr. Gladstone's Government of 1880, he was sent by his old Chief on a special mission as Ambassador to the Sultan, and was offered the Vice-

FIFTY YEARS OF PARLIAMENT

royalty of India, and the Speakership of the House of Commons.

I have already spoken of his prowess as a Parliamentary Debater. As a Statesman he will be remembered not so much for any constructive achievement as for the distinguished and formidable part which he took in two defensive campaigns: the first against Gladstone's Home Rule, in 1886; the second against Chamberlain's Fiscal Policy, in 1903-5. Though not an orator of the first rank, he was a most expert dialectician, and a master of effective epigram. Some of the phrases which he coined enjoyed a wide currency in their day: "I am not going to give a blank cheque to Lord Salisbury"; "We must be ready to make our wills and do our duty"; "I will be no party to a gamble with the food of the people."

He was a man of broad culture, a devotee of the humanities, an indefatigable worker in the cause of higher education; a fighter who gave no quarter within the rules of the game; and withal one of the best of companions and most loyal of friends.

The eighth Duke of Devonshire, who will be better known in history as Lord Hartington, belonged by birth to one of the ruling English families. Unlike Goschen, he had nothing but the bluest blood in his veins. He was by nature of a manly but lethargic, pleasure-seeking, temperament; with none of the tastes and interests of a student or a connoisseur; and with what often seemed a slow-moving and even heavy-gaited mind. That he turned his main activities into the channel of politics was almost an accident, and was certainly not due to the promptings of personal ambition. Nor had he any natural gifts of speech, though, both in Parliament and on the platform, he came to rival in cogency and impressiveness the most



Photo: Dickinson.

THE DUKE OF DEVONSHIRE.

GOSCHEN : HARTINGTON

brilliant orators of his time. He was perhaps the best illustration in our recent history of the power of Personality.

Among the tributes which were paid to his memory in the House of Commons on his death, none was more felicitous than that of Mr. Balfour. He said that, of all the great statesmen he had known, the Duke was the most persuasive speaker : " because he never attempted to conceal the strength of the case against him " ; and " brought before the public, in absolutely transparent and unmistakable terms, the very arguments he had been going through patiently and honestly, before he arrived at his conclusion." I was able on the same occasion to say, with perfect sincerity, that " in the closing years of his life he commanded in a greater degree than perhaps any other public man the respect and confidence of men of every shade of opinion." And by what title? " By simplicity of nature, directness of purpose, intuitive insight into practical conditions, inflexible courage, and, above all, tranquil indifference to praise and blame, and absolute disinterestedness."

In the political welter which was rapidly working up, England sorely missed these two great figures.

PART IV

CHAPTER I

THE BUDGET OF 1909 (I)

BY the Budget of 1909, the quarrel between the two Houses, of which the successive stages have been already described, was brought to a head.

A large prospective deficit had to be made good, arising partly from the growing needs of Naval Defence, and still more from the demands of a costly programme of Social Reform, of which the scheme for Old Age Pensions was the first instalment; to be followed by provision for invalidity and unemployment Insurance, and by Development grants for roads, afforestation, and other national services.

Mr. Lloyd George proposed to find the means for meeting these necessities of the present and the near future in the following ways :

(1) By reducing the annual provision for the Debt from £28,000,000 to £25,000,000. Some such step had been foreshadowed in my Budget speech of the previous year; and as the real reduction of the dead-weight debt in the financial year 1908-9 had amounted to no less than £15½ millions, and of the £25 millions to be still applied to debt purposes about £7 millions would be devoted to repayment of principal, there could be no serious question that this part of the new Budget was consistent with all the canons of sound finance.

(2) By increasing the Income Tax on a graduated scale from 9d. to 1s. 2d., and imposing a Super Tax

FIFTY YEARS OF PARLIAMENT

(in the case of the larger incomes) on their excess over £3,000 per annum. This latter proposal was in accordance with the recommendations of a strong House of Commons Committee presided over by Sir C. Dilke in 1906.

(3) By a substantial addition to the Death Duties.

(4) By an increase in the duties on spirits, tobacco and liquor licences, and new taxes on petrol and motor-cars.

(5) By a set of four new Land Taxes, which would admittedly be relatively unproductive for the present, but which were defended as just in themselves and of progressive financial value. Of the four, the most important, and as it turned out the most controversial, were the tax on the Site Value of undeveloped land, and the Increment Duty on enhancements of Site Values.

For the purpose of assessing these new taxes, there was to be a general valuation of land.

It is not easy at this distance of time, and in the light of our later financial experiences, to realize the passionate resentment and the obstinate resistance which these proposals aroused. In a sense, as Mr. Lloyd George said in his opening speech, it was a "War Budget"; for one of its main objects was "to raise money to wage implacable warfare against poverty and squalor." But, given that the money had to be raised, unless both National Defence and Social Reform were to be crippled and starved, it is difficult to see in the means actually proposed, any adequate ground for the outcry with which the country resounded for the best part of two years against Spoliation, Socialism and breaches of the Decalogue. Apart from the land taxes, though it might be argued that a disproportionate share of the new expenditure

THE BUDGET OF 1909

was thrown upon the direct as compared with the indirect taxpayer, there was nothing that, in principle, could not be abundantly justified by financial precedent.

It was the Land Taxes, and perhaps still more the proposed valuation of land, which "set the heather on fire." Their immediate yield was estimated to be very small, but the alarmists saw in them a potential instrument for almost unlimited confiscation. Being supposed myself to be a financier of a respectable and more or less conservative type, I was, in the course of the debates, frequently challenged by Mr. Balfour and others to defend the new imposts, and especially the Undeveloped Land and the Increment Duties. I have undertaken in my time many more intractable dialectical tasks, and though I was fully alive to the mechanical difficulties involved, and perhaps not so sanguine as some of my colleagues as to the progressive productiveness of the taxes, I had never any doubt as to their equity in principle. The Increment Duty, in particular, applied only to the enhancement in the value of land which is not due to any enterprise or expenditure on the part of the owner, but to the growth, and often to the actual expenditure, of the community. "Upon that added value" (I argued) "it is consistent with natural justice, with economic principle, and with sound policy, that the State should from time to time levy toll."

Whatever judgment a dispassionate observer may now pronounce upon the merits of the case, there can be no doubt as to the genuineness of the alarm which the Budget excited, or of the enthusiasm with which it was greeted and defended by the bulk of the Liberal Party.

After 3 weeks of preliminary discussion, and

FIFTY YEARS OF PARLIAMENT

nearly 4 nights' debate on the Second Reading of the Finance Bill, in the Division, June 10, 1909 (though the Irish Nationalists, from hostility to the Whisky Duty, voted with the Conservatives), the Government had a majority of 366 to 209. The Bill was in Committee for forty-two Parliamentary days, and finally passed the House of Commons on November 4 by 379 to 149.

I will quote a passage from my final speech on the Third Reading as expressing the views which were held at the time by a large majority of the House of Commons :

“ What, then, are the two ways, and the only two ways before the country of meeting the necessities of the nation ? On the one hand you may do as we are doing. You may impose, simultaneously and in fair proportion, taxes on accumulated wealth, on the profits of industry, on the simpler luxuries, though not the necessities, of the poor. You may seek, as we are seeking, for new taxes on those forms of value which at present are either inadequately taxed or not taxed at all ; values which spring from monopoly ; which are not the fruit of individual effort or enterprise ; but which are the creation, either of social growth, or of the direct activity, of the State itself.

“ That is one way—that is the way proposed by this Budget. What is the other, the only other, that has yet been disclosed or even foreshadowed to Parliament and the country ? It is to take a toll on the prime necessities of life ; it is to raise the level of prices to the average consumer of commodities ; it is to surround your markets with a Tariff wall which, in so far as it succeeds in protecting the home producer, will fail to bring in revenue, and in so far

THE BUDGET OF 1909

as it succeeds in bringing in revenue, will fail to protect the home producer.

“That, Sir, is the choice which has to be made, and if to these alternatives there is to be added another which I decline to believe, the choice between the maintenance and the abandonment by this House of its ancient constitutional supremacy over all matters of national finance, I say there is not a man who sits here beside or behind me to-night who is not ready to join issue.”

CHAPTER II

THE BUDGET OF 1909 (II)

ALL this time there had been a seething agitation in the country outside, organized and fomented on the one side by the "Budget League," and on the other by the "Budget Protest League." Mr. Lloyd George himself made a famous speech, which added a new term to the political vocabulary, at Limehouse. The principal organ in the Unionist Press accused him of "coarse personalities" and "pitiful claptrap." Critics with a tincture of classical reading denounced him as a second Cleon.¹ "We know now," wrote Sir Edward Carson,² "from Mr. Lloyd George that the Budget means the beginning of the end of all rights of property." Even Lord Lansdowne (Bowood, August 7) compared him to the "swooping robber gull, particularly voracious and unscrupulous, which steals fish from other gulls."

Lord Rosebery had, ever since the formation of the Campbell-Bannerman Government, maintained, on the whole, an attitude of not unsympathetic detachment. It is true that in an address to the Liberal League (March, 1907) he had said that his speeches might be regarded as "the croakings of a retired raven on a withered branch." He had, however, given valuable support in 1908 to the Licensing Bill, of which he approved the fundamental principles.

¹ A felicitous and untranslatable Greek epigram—attributed to Dr. Warre, the Provost of Eton—ran as follows:

ἐν ταῖς Ἀχαρναῖς δημαγωγικὸν τέρας·
τοὺς γῆν ἔχοντας Λοιδορεῖ Γεωργὸς αὖν.

² *The Times*, Aug. 2, 1909.

THE BUDGET OF 1909

But he fell upon the Budget of 1909, and rent it tooth and nail. He resigned the Presidency of the Liberal League, and speaking at Glasgow (September 10, 1909) he said :

" I think my friends are moving on the path that leads to Socialism. How far they are advanced on that path I will not say. But on that path I, at any rate, cannot follow them an inch. Any form of Protection is an evil, but Socialism is the end of all—the negation of Faith, of Family, of Property, of Monarchy, of Empire."

The phrase, " The end of all," became current coin in the controversy.

While the Bill was still in the House of Commons, rumours began to be rife as to its probable fate in the Upper House. So persistent did they become that, speaking at Birmingham on September 17, 1909, I thought it right to use the plainest language :

" Amendment by the House of Lords is out of the question. Rejection by the House of Lords is equally out of the question. . . . Is this issue going to be raised ? If it is, it carries with it in its train consequences which he would be a bold man to forecast or foresee. That way Revolution lies."

Early in October I was summoned by King Edward to Balmoral, and after some conversation on the situation I left with him a confidential memorandum. His Majesty was naturally as anxious as were King William IV in the case of the Reform Bill, and Queen Victoria in the cases of the Irish Church and the Franchise Bills, to discover some *via media* by which a collision between the two Houses could be averted. He asked me whether I thought he was well within constitutional lines in holding communications with the Opposition leaders at this juncture. I replied

FIFTY YEARS OF PARLIAMENT

that I thought what he was proposing to do perfectly correct from a constitutional point of view.

Accordingly, on his return to London he gave an interview (October 12, 1909) at Buckingham Palace to Lord Lansdowne and Mr. Balfour. I saw him immediately afterwards, and gathered that the substance of what they had told him was that they had not yet decided what action the House of Lords should be advised to take.

Meanwhile, as I wrote at the time to my colleagues : " The prospect of the rejection of the Finance Bill by the Lords is regarded with serious apprehension by many who are in no sense partisans, and some of the wisest heads in the country are seeking, so far unavailingly, to avert such a grave and far-reaching innovation."

There can, however, be no doubt that the attitude of the great bulk of the Conservative Party was accurately foreshadowed in a speech made by Lord Milner at Glasgow on November 26. He declared that it was the duty of those who condemned the Budget not to let it pass, and so produce a great Unionist reaction (as some people recommended), but " to try to prevent a thing they believed bad, and to *damn the consequences* " : another picturesque contribution to the phraseology of the times, which was not readily forgotten.

It was in this sense that the Opposition Leaders ultimately decided to advise the House of Lords to act, and on November 16 Lord Lansdowne gave notice that he would move as an amendment to the Second Reading—

" That this House is not justified in giving its consent to this Bill until it has been submitted to the judgment of the country."

THE BUDGET OF 1909

The momentous debate, lasting for six days, which followed, ranged over the whole field of the relations between the two Houses.

The main contention of Lord Lansdowne and his thick-and-thin supporters was, that the House of Lords was entitled, in the case of a measure to which the majority of its members saw so many objections, to decline to pass it until it had been submitted to a referendum in the shape of a General Election. But, among the most hostile critics of the Budget, voices of great authority were raised in deprecation of, and protest against, the course proposed. Lord James of Hereford declared it to be beyond the Constitutional competence of the House to reject the Bill. Lord Balfour of Burleigh said: "In many respects the Finance Bill is not just. . . . Nevertheless I do not agree as to the wisdom of stopping it in the way and by the method which is proposed." Lord Cromer had "come to the conclusion that, objectionable as the Budget was, the House of Lords could not reject it without incurring other and more formidable risks." And most significant of all were the words of Lord Rosebery: "I cannot, I think, be more hostile to the Budget than I am. But I am not willing to link the fortunes of the Second Chamber with opposition to the Budget. . . . I think you are playing for too heavy a stake on this occasion. I think you are risking, in your opposition to what I agree with you is an iniquitous and dangerous measure, the very existence of a Second Chamber."

The Ministers in charge of the Bill were not content with denying the Constitutional competence of the House of Lords to tamper with the finance of the year; to them the rejection of the Budget was only

FIFTY YEARS OF PARLIAMENT

the latest in a series of systematic attacks by the Second Chamber upon the principle of representative government. The Lord Chancellor (Loreburn) read out from a paper the following declaration: "It is impossible that any Liberal Government should ever again bear the heavy burden of office, unless it is secured against a repetition of treatment such as our measures have had to undergo for the last four years." And Lord Crewe, the Leader of the House, wound up the debate with the intimation that, after the action which their Lordships were taking, "we must set ourselves to obtain guarantees, fenced about and guarded by the force of statute, which will prevent that indiscriminate destruction of our legislation of which your work to-night is the climax and the crown."

The House, however, turned a deaf ear to these warning voices, and determined to "damn the consequences." The Second Reading was defeated by 350 to 75. As the *Journal* dryly records: "Resolved in the Negative accordingly."

CHAPTER III

DISSOLUTION AND GENERAL ELECTION OF JANUARY, 1910

THE Government took up the challenge, so rashly thrown down, without a day's delay. On December 2nd, 1909, I proposed in the House of Commons a motion in the following terms :

" That the action of the House of Lords in refusing to pass into law the financial provision made by this House for the service of the year is a breach of the Constitution and a usurpation of the rights of the Commons."

In submitting the motion I announced that I had advised the Crown to dissolve Parliament at the earliest possible moment, and that His Majesty had been graciously pleased to accept that advice. I went on to say : " No one will deny that the House of Lords has a technical right to reject a Finance Bill or any other Bill. I certainly am not in the least concerned to deny that there have been cases in the old days in which this House has acquiesced, though rarely without protest, not only in the rejection but in the amendment of Bills which were concerned with the taxation of the country. For the most part these cases were trivial, and even trumpery, in their character ; but ever since 1628, when, by the advice of the greatest lawyers of that day, the mention of the Lords was deliberately omitted from the granting words in the preamble of Supply Bills, this House has asserted, with ever-growing emphasis, its own

FIFTY YEARS OF PARLIAMENT

exclusive right to determine the taxation and the expenditure of the country.

" Within the practice of our own time there is one case, and one only, in which the House of Lords has ever attempted to interfere with the financial functions of this House. That is the familiar case of the Paper Duty in 1860, when, the House of Commons having sanctioned the repeal of the tax, the House of Lords refused to give its assent to the repeal. The Commons took swift and summary vengeance. In the following year they passed the same tax, in company with a number of others, as part of the general financial arrangements of the year. The House of Lords acquiesced, and from that day to this it has never attempted again to question the sole and exclusive competence of this House in matters of Supply. . . .

" The House of Lords, or their apologists, tell us that they have not rejected this Bill. All they have done is to refer it to the people. . . . This new-fangled Cæsarism, which converts the House of Lords into a kind of plebiscitary organ, is one of the quaintest inventions of our time. . . . The truth is that all this talk about the duty or the right of the House of Lords to refer measures to the people is, in the light of our practical and actual experience, the hollowest outcry of political cant. We never hear of it when a Tory Government is in power. It is simply a thin, rhetorical veneer, by which it is sought to gloss over the partisan, and in this case the unconstitutional, action of a purely partisan Chamber. The sum and substance of the matter is that the House of Lords rejected the Finance Bill, not because they love the people, but because they hate the Budget."

Mr. Balfour, in reply, defended the Peers. They had done their duty and done it fearlessly. " I under-

GENERAL ELECTION OF JANUARY, 1910

stand," he said to the Government, "that you are going to try to persuade the people of this country that they are suffering some wrong, some terrible indignity, by having their opinion asked about the Budget." He imagined the Liberals would have a new banner for their popular processions, bearing the device: "The Lords have insulted you by asking your opinion. Take care to give such a vote that your opinion will never be asked again."

The motion was carried by 349 to 134: majority, 215.

Parliament was at once dissolved.

I laid down in a Memorandum which I circulated to my colleagues the issue, as I conceived it, which we should submit to the electorate:

The first duty of a Liberal Government must be to secure such a readjustment of the relations and powers of the two Houses that the will of the people, maturely interpreted and deliberately expressed by their chosen representatives, should, whether the majority of the House of Commons were for the time being Liberal or Conservative, be carried into law. There was, I pointed out, no question of abolishing the Second Chamber. In a democratic country such a Chamber is needed, and has useful and dignified functions to discharge. But in future it must be rendered impossible for a partisan and non-representative body to be able at its discretion to compel the Government of the day, possessing the confidence of the House of Commons, to abandon or mutilate its legislation, and even its finance; or else, whenever and as often as the House of Lords thinks fit, to put the country to the expense and turmoil of a General Election.

To make the position abundantly clear, in opening the electoral campaign at the Albert Hall, on

FIFTY YEARS OF PARLIAMENT

December 10, I used words which were much quoted and canvassed during the next eighteen months :

“ We shall not assume office, and we shall not hold office, unless we can secure the safeguards which experience shows us to be necessary for the legislative utility and honour of the party of progress.”

The result of the Election of January, 1910, was as follows :—

Liberals	275
Conservatives and Unionists (including twenty Irish)	273
Irish Nationalists (twelve Independent)	82
Labour	40
	<hr/>
	670

The following commentary on these figures is drawn in substance from a contemporary Cabinet Memorandum :

If the Independent Nationalists, who were an uncertain factor, were left out of the account, this would give a majority against the maintenance of the Lords' veto of about 112 (385 against 273). If Ireland as a whole was left entirely out of the account, the majority against the Lords' veto in Great Britain would work out at 62 (315 against 253).

The majority differed from that which the Government could command in the previous House of Commons in two respects : viz. (1) in being materially smaller in its proportions, and (2) in being of a composite, and not of a homogeneous, character. But, in actual size, it compared favourably with the majorities which such statesmen as Lords John Russell and Palmerston considered adequate ; and

GENERAL ELECTION OF JANUARY, 1910

upon the Constitutional issue there was every reason to believe (as the event proved) that it was substantially united.

In these circumstances the Government, after carefully reviewing the situation created by the General Election, and in view of the obvious inability of the Conservative leaders to conduct the affairs of the nation in a House of Commons so constituted, came to the conclusion that it was their duty to continue to carry on the Administration, and at the earliest moment compatible with the financial exigencies of the country, to submit to Parliament their proposals in regard to the future relations between the two Houses.

Meetings of the Cabinet were held on February 10 and 11, 1910, and on the 12th I went to Brighton, where the King then was, and communicated to him a Cabinet Minute of the 11th. As its substance was publicly stated in Parliament very shortly afterwards, there can be no objection to recording its precise terms, which had been the subject of careful consideration :

“ His Majesty’s Ministers do not propose to advise or request any exercise of the Royal Prerogative in existing circumstances, or until they have submitted their plans to Parliament. If, in their judgment, it should become their duty to tender any such advice, they would do so when—and not before—the actual necessity may arise.”

I intimated at the same time to His Majesty that the Cabinet had decided to make the reintroduction of the Budget, and the necessary provisions for the finance of the year, the first item in their programme. In the course of a further communication, a day or two later, I pointed out that if (as seemed probable)

FIFTY YEARS OF PARLIAMENT

the Opposition should find themselves compelled by their electoral pledges to vote against the Budget, it was by no means certain that, when it came to the point, they would find that in this course they had the support of the Irish Party. But, I added, such a combination was undoubtedly a contingency which must be regarded as within the range of probability.

(It must be remembered that the Nationalists had not supported either the Second or the Third Reading of the Finance Bill of 1909.)

A good deal of steering was needed to round this rather hazardous point. In the end the Finance Bill of the previous year after occupying three days was read a third time in the House of Commons on April 27 by a majority of 93, and went through all the stages next day in the House of Lords.

In the meantime the main issue became more and more clearly isolated and defined. In the Speech from the Throne (February 21) the King was advised to say: "Proposals will be laid before you, with all convenient speed, to define the relations between the Houses of Parliament, so as to secure the undivided authority of the House of Commons over finance, and its predominance in legislation. These measures, in the opinion of my advisers, should provide that this House (the House of Lords) should be so constituted and empowered as to exercise impartially, in regard to proposed legislation, the functions of initiation, revision, and, subject to proper safeguards, of delay."

In view of my language (already quoted) at the Albert Hall, it was assumed in some quarters that the Government had already secured some kind of guarantee for the contingent exercise of the Royal Prerogative. The Cabinet Minute of February 11 shows that this was not the case.

GENERAL ELECTION OF JANUARY, 1910

Accordingly, on the first day of the debate on the Address, I said: "I tell the House quite frankly that I have received no such guarantee, and that I have asked for no such guarantee. In my judgment it is the duty of responsible politicians in this country, as long as possible and as far as possible, to keep the name of the Sovereign and the prerogatives of the Crown outside the domain of party politics. If the occasion should arise, I should not hesitate to tender such advice to the Crown as in the circumstances the exigencies of the situation appeared to warrant in the public interest. But to ask, in advance, for a blank authority, for an indefinite exercise of the Royal Prerogative, in regard to a measure which has never been submitted to, or approved by, the House of Commons, is a request which, in my judgment, no constitutional statesman can properly make, and it is a concession which the Sovereign cannot be expected to grant."

CHAPTER IV

THE VETO—FIRST STAGE

KING EDWARD'S DEATH

THE proposals of the Government were, in the first instance, embodied in three resolutions which were debated during the first fortnight of April, 1910, and carried by majorities of from 105 to 98. Their object was to declare the necessity for legislation :

(1) To disable the House of Lords from rejecting or amending Money Bills ;

(2) To provide that any Bill which had passed the House of Commons and been rejected by the Lords in three successive Sessions should become law, provided (*a*) that the Bill was sent up from the Commons at least one month before the end of each Session, and (*b*) that at least two years should have elapsed between the first introduction of the Bill and its being passed by the House of Commons for the third time ;

(3) To limit the duration of Parliament to five years.

The scheme was put forward as a practical remedy for the evils and injustices which the experience of the last four years had shown to be inherent in the existing system. The Government not only admitted but asserted that the reconstruction of the Second Chamber, on a popular basis and in diminished numbers, was a problem which must be dealt with in the near future. But its solution would be in all prob-

THE VETO—FIRST STAGE

ability a long and troublesome process, and what the country needed was an immediate outlet from an intolerable situation. The House of Lords was indeed itself engaged in declaring the need for its own reconstitution. At Lord Rosebery's instance, it proceeded to pass resolutions in that sense, of which the most specific, and perhaps the only one of practical significance, asserted, as "a necessary preliminary of reform," that "the possession of a Peerage should no longer of itself give the right to sit and vote in the House," an innocent-looking proposition, which would incidentally have made a clean sweep of the Prerogative of the Crown to add to the membership of the House of Lords by the creation of new Peers. It was the only one of Lord Rosebery's resolutions upon which the House of Lords divided, and it was carried in a relatively thin House by 175 against 17.

There was genuine apprehension in some sections of the Opposition that, after the veto of the Peers had been limited, the supporters of the Government might prevent them from proceeding with the reform of the Second Chamber. We might, in fact, be left at the mercy of "Single Chamber Government." This was not the view of Ministers, and one of them, Sir Edward Grey, went so far as to declare that to "confine ourselves to a Single Chamber issue, and leave the policy of reform of the House of Lords to the other side, would result for us politically in disaster, death and damnation."

To make the position plain, the Bill embodying the House of Commons resolutions had a declaratory Preamble: "That it is intended to substitute for the House of Lords as it at present exists a Second Chamber constituted on a popular basis, but such substitution cannot be immediately brought into operation."

FIFTY YEARS OF PARLIAMENT

The Bill was introduced on April 14, and in language which had been carefully considered by the Cabinet, I made it clear that, this time, the labours of the Commons were not going to be thrown away :

" If the Lords fail to accept our policy, or decline to consider it as it is formally presented to the House, we shall feel it our duty immediately to tender advice to the Crown as to the steps which will have to be taken if that policy is to receive statutory enactment in this Parliament. What the precise terms of that advice will be it will, of course, not be right for me to say now. But if we do not find ourselves in a position to ensure that statutory effect shall be given to that policy in this Parliament, we shall then either resign our offices or recommend the dissolution of Parliament.

" Let me add this, that in no case will we recommend a dissolution except under such conditions as will secure that in the new Parliament the judgment of the people, as expressed at the elections, will be carried into law."

After disposing of the Budget, the House of Commons adjourned for a spring recess, and I took advantage of the opportunity to accompany the First Lord of the Admiralty, Mr. McKenna, on the Admiralty yacht *Enchantress*, on a visit of inspection to Gibraltar. At King Edward's request, we put in at Lisbon to pay our respects to King Manoel of Portugal and the Queen-Mother. The last communication I had from my revered Sovereign was a telegram sent two days before his death : " Very glad that you liked your stay at Lisbon and that the King was so pleasant. Edward R."

We had passed Cadiz and were nearing Gibraltar, when the First Lord and I received by wireless our first intimation of the King's illness. Lord Knollys's

